





Brighton & Hove  
City Council

# Policy, Resources & Growth Committee

Title:	<b>Policy, Resources &amp; Growth Committee</b>
Date:	<b>30 November 2017</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall, Norton Road, Hove, BN3 3BQ</b>
Members:	<b>Councillors:</b> Morgan (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Mitchell, Peltzer Dunn, Sykes, Wealls and Yates
Contact:	<b>John Peel</b> Democratic Services Officer 01273 291058 john.peel@brighton-hove.gov.uk

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# Democratic Services: Policy, Resources & Growth Committee

<b>Monitoring Officer</b>	<b>Councillor Morgan</b> Chair	<b>Chief Executive</b>	<b>Democratic Services Officer</b>
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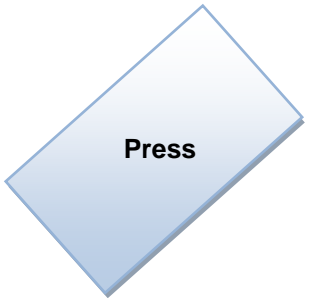
<b>Exec. Director Finance &amp; Resources</b>
<b>Exec. Director Economy, Environment &amp; Culture</b>
<b>Exec. Director Neighbourhoods, Communities &amp; Housing</b>
<b>Exec. Director Families, Children &amp; Learning</b>
<b>Exec. Director Adult Care &amp; Health</b>

<b>Councillor Hamilton</b> Deputy Chair
<b>Councillor Mitchell</b>
<b>Councillor Yates</b>

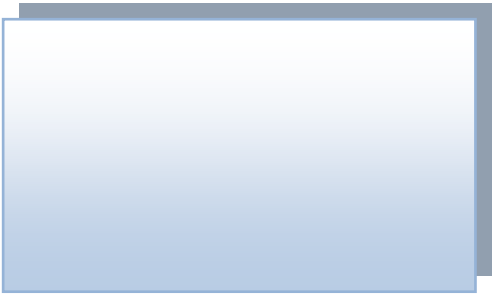
<b>Councillor Peltzer Dunn</b>
<b>Councillor Wealls</b>
<b>Councillor Bell</b>
<b>Councillor Janio</b> Opposition Spokesperson
<b>Councillor Mac Cafferty</b> Group Spokesperson
<b>Councillor Sykes</b>



<b>Public Speaker</b>	<b>Councillor Speaking</b>
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**Public Seating**



**Public Seating**



## AGENDA

### PART ONE

Page

#### PROCEDURAL MATTERS

#### 55 PROCEDURAL BUSINESS

**(a) Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.

**(b) Declarations of Interest:**

- (a) Disclosable pecuniary interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

- (i) the item on the agenda the interest relates to;
- (ii) the nature of the interest; and
- (iii) whether it is a disclosable pecuniary interest or some other interest.

If unsure, Members should seek advice from the committee lawyer or administrator preferably before the meeting.

**(c) Exclusion of Press and Public:** To consider whether, in view of the nature of the business to be transacted, or the nature of the proceedings, the press and public should be excluded from the meeting when any of the following items are under consideration.

**NOTE:** *Any item appearing in Part Two of the Agenda states in its heading the category under which the information disclosed in the report is exempt from disclosure and therefore not available to the public.*

*A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls.*

#### 56 MINUTES

1 - 20

To consider the minutes of the meeting held on 12 October 2017

Contact Officer: John Peel

Tel: 01273 291058

**57 CHAIR'S COMMUNICATIONS**

**58 CALL OVER**

- (a) Items (61 – 74) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

**59 PUBLIC INVOLVEMENT**

**21 - 26**

To consider the following matters raised by members of the public:

- (a) **Petitions:** to receive any petitions presented by members of the public to the full Council;
  - i) Reduce the use of single-use plastics in Brighton and Hove. Presented to the council meeting on the 2nd November. Lead petitioner Mr. Arney.
  - ii) Water Fountains to Reduce Rubbish and Pollution. Extract from the proceedings of the Council meeting held on the 2nd November, 2017. Lead petitioner Mr Cross.
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 23 November 2017;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 23 November 2017.

**60 MEMBER INVOLVEMENT**

**27 - 32**

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.
  - i) Banning of Single Use Plastics
  - ii) Unnecessary Single Use Plastics
  - iii) Mitigating the Adverse Impact of Universal Credit



## **POLICY, RESOURCES & GROWTH COMMITTEE**

### **FINANCIAL MATTERS**

- 61 COUNCIL TAX REDUCTION REVIEW 33 - 42**  
Report of the Executive Director, Finance & Resources  
*Contact Officer: John Francis Tel: 01273 291913*  
*Ward Affected: All Wards*
- 62 TARGETED BUDGET MANAGEMENT (TBM) 2017/18: MONTH 7 43 - 100**  
Report of the Executive Director, Finance & Resources  
*Contact Officer: Nigel Manvell Tel: 01273 293104*  
*Ward Affected: All Wards*
- 63 TREASURY MANAGEMENT POLICY STATEMENT 2017/18 (INCLUDING ANNUAL INVESTMENT STRATEGY 2017/18) - MID YEAR REVIEW 101 - 126**  
Report of the Executive Director, Finance & Resources  
*Contact Officer: James Hengeveld Tel: 01273 291242*  
*Ward Affected: All Wards*
- 64 DRAFT REVENUE BUDGET AND CAPITAL INVESTMENT PROPOSALS 2018/19 127 - 252**  
Report of the Executive Director, Finance & Resources  
*Contact Officer: James Hengeveld, Nigel Manvell Tel: 01273 291242 Tel: 01273 293104*  
*Ward Affected: All Wards*
- 65 SALTDEAN LIDO CIC - REQUEST FOR LOAN 253 - 260**  
Report of the Executive Director, Economy, Environment & Culture  
*Contact Officer: Ian Shurrock Tel: 01273 292084*  
*Ward Affected: Rottingdean Coastal*
- 66 REVIEW OF MEMBERS' ALLOWANCES 261 - 270**  
Report of the Executive Lead, Strategy, Governance & Law  
*Contact Officer: Mark Wall Tel: 01273 291006*  
*Ward Affected: All Wards*

### **STRATEGIC & POLICY MATTERS**

- 67 PROGRESS UPDATE CORPORATE KEY PERFORMANCE INDICATORS Q2 2017-18 271 - 330**  
Report of the Chief Executive  
*Contact Officer: Richard Miles Tel: 01273 292344*  
*Ward Affected: All Wards*

**REGENERATION & PROPERTY MATTERS**

**68 MADEIRA DRIVE REGENERATION FRAMEWORK AND MADEIRA TERRACES UPDATE 331 - 382**

Report of the Executive Director, Economy, Environment & Culture

*Contact Officer:* Katharine Pearce *Tel:* 01273 292553

*Ward Affected:* East Brighton; Queen's Park;  
Rottingdean Coastal

**69 ROYAL PAVILION ESTATE CAPITAL PROJECT PHASE 2 383 - 394**

Report of the Executive Director, Economy, Environment & Culture

*Contact Officer:* Richard Davies *Tel:* 01273 296825

*Ward Affected:* All Wards

**CONTRACTUAL MATTERS**

**70 CORPORATE PROCUREMENT FOR WATER SUPPLY AND WASTEWATER PROVISION 395 - 398**

Report of the Executive Director, Finance & Resources

*Contact Officer:* Angela Dymott *Tel:* 01273 291450

*Ward Affected:* All Wards

**GENERAL MATTERS**

**71 RESPONSE TO FORTHCOMING GENERAL DATA PROTECTION REGULATION 399 - 424**

Report of the Executive Director, Finance & Resources

*Contact Officer:* Chris Carter *Tel:* 01273 296499

*Ward Affected:* All Wards

**72 TRADE UNION RECOGNITION AGREEMENT 425 - 432**

Report of the Executive Director, Finance & Resources

*Contact Officer:* Katie Ogden *Tel:* 01273 291299

*Ward Affected:* All Wards

**73 COMMITTEE TIME TABLE 2018-19 433 - 450**

Report of the Executive Lead, Strategy, Governance & Law

*Contact Officer:* Mark Wall *Tel:* 01273 291006

*Ward Affected:* All Wards

**74 GREATER BRIGHTON ECONOMIC BOARD – ADMISSION OF NEW MEMBER TO THE BOARD 451 - 464**

Report of the Executive Lead, Strategy, Governance & Law

Contact Officer: Andy Hill

Tel: 01273 291873

Ward Affected: All Wards

**75 ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 14<sup>th</sup> December 2017 Council meeting for information.

*In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on [Insert Date] 2013 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.*

## POLICY, RESOURCES & GROWTH COMMITTEE

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For further details and general enquiries about this meeting contact John Peel, (01273 291058, email [john.peel@brighton-hove.gov.uk](mailto:john.peel@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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Date of Publication - Wednesday, 22 November 2017

**BRIGHTON & HOVE CITY COUNCIL**  
**POLICY, RESOURCES & GROWTH COMMITTEE**

**4.00pm 12 OCTOBER 2017**

**COUNCIL CHAMBER, HOVE TOWN HALL, NORTON ROAD, HOVE, BN3 4AH**

**MINUTES**

**Present:** Councillors Morgan (Chair), Hamilton (Deputy Chair), Janio (Opposition Spokesperson), Mac Cafferty (Group Spokesperson), Bell, Mitchell, Peltzer Dunn, Sykes, Wealls and Yates

**PART ONE**

**37 PROCEDURAL BUSINESS**

**37(a) Declarations of Substitutes**

37.1 There were none.

**37(b) Declarations of Interest**

37.2 There were no declarations of interests in matters listed on the agenda.

**37(c) Exclusion of Press and Public**

37.3 The Committee considered whether the press and public should be excluded from the meeting during the consideration of any of the items listed on the agenda.

37.4 **RESOLVED:** That the press and public be excluded from the meeting during consideration of the items contained in part two of the agenda.

**38 MINUTES**

38.1 In reference to minute item 9.2, Councillor Sykes stated that the working balance figure should read "£10.5 million" instead of "£7.5 million".

38.2 **RESOLVED-** That the minutes of the previous meeting held on 13 July 2017 be approved and signed as the correct record subject to the above correction.

**39 CHAIR'S COMMUNICATIONS**

37.1 The Chair provided the following Communications:

*“First of all I would like to pay tribute to David Marks the architect, along with his partner Julia Barfield, of the British Airways i360 who died last week. Over the past decade, David was instrumental in changing the skyline of this city, as he had done in London with the London Eye. Despite our differences over the project, David was always friendly, courteous and human in his dealings with me and it was an honour to speak at the opening of the British Airways i360 after him last year. As was said of Christopher Wren: ‘if you seek his monument, look around you’. Of David Marks, we need only to look up.*

*I would like to place on record thanks to Nick Hibberd and all the officers involved in the recent charrette visit and workshop with senior civil servants from the Department for Communities and Local Government and the Department for Business, Energy, & Industrial Strategy on the 28<sup>th</sup> and 29<sup>th</sup> of September. It was a success for the city and for the Greater Brighton economic region and I’d like to signal my appreciation to colleagues from the Economic Board, from Ricardo, the Digital Catapult, British Airways i360 and the University of Brighton Advanced Engineering Centre for hosting the two day event. The input from all involved will, I’m sure, lead to investment in the City Region and a better future for the city, for Greater Brighton and the Southern Accelerator.*

*Thanks to Visit Brighton and the team at the Royal Pavilion Museum for securing a 6% increase to the Pavilion and an amazing 27% increase at Brighton Museum. Alongside the works at the Pavilion Estate, our plans for a new Trust and the work on the seafront, our heritage is being preserved, promoted and invested in at the same time we have new attractions to add to our already rich tourist and visitor offer.*

*Continuing thanks, I’d like to thank all of the local business, residents and others who have pledged support to the Madeira Terraces crowdfunding campaign so far and thanks to The Argus for their wholehearted backing this week. There are a dedicated band of local residents who have set up a raffle with over 200 prizes to be won. The Terraces are owned by the council but belong to Brighton & Hove and I’d urge anyone who values this iconic part of our local heritage to pledge today at [www.savemadeiraterrace.org](http://www.savemadeiraterrace.org) before the 30<sup>th</sup> November. We’ve some way to go before we hit the target but I know this city and its residents can get us there.*

*Our best wishes to Richard Bradley who has moved on to a new challenge at Scarborough Borough Council. Richard made a considerable contribution in his time here as evidenced by the improved recycling figures announced this week.*

*And finally, the Small Business Saturday Bus will be returning to Ship Street in Brighton on 24 November 2017 between 10am – 2pm and will mark 5 years since the campaign was launched. The ‘Small Business Saturday Blue Sofa’ is a new addition where interviews and exclusive Q&A sessions with local small businesses and experts will be streamed via Facebook Live. There will be mentoring sessions offering free support and advice and Inspire workshops that cover accountancy, social media and online marketing. A number of local small businesses have been invited to have a stall alongside the bus”.*

#### **40 CALL OVER**

40.1 All items on the agenda were reserved for discussion.

#### **41 PUBLIC INVOLVEMENT**

##### **b) WRITTEN QUESTIONS**

**(i) Living Wage Joint Venture Business Plan**

41.1 Ian Bailey put the following question:

*“The rent levels indicated within the LWJV business plan and associated documentation indicate a percentage level of 37.5% of gross income from the living wage. When considering this as a percentage of net income it is significantly higher at 57%. Accepting this is still just below housing benefit levels and taking into account rising living costs including energy, council tax, transport and consumer goods how is this considered to be genuinely affordable to both residents and the council?”*

41.2 The Chair provided the following reply:

*“The rent levels for the new homes have been carefully considered to make them affordable to lower income working households within the city as well as providing a balanced business plan. The 57% figure quoted is not correct and when the calculation of net income taking into account current tax and national insurance allowances for working households, the rents are between 39% and 41% of net income (excluding service charges) and around 43% of net income (including service charges). The report demonstrates that the rents set out in the joint venture business plan are significantly lower than those charged for private rent and affordable rent tenancies. They are therefore amongst the lowest on offer in the city and compared to equivalent market rents range between 54% of market rent for a 3 Bed flat and 68% for a studio apartment. If the joint venture were to adopt a policy of social rents the business plan would become unviable and the project would not be able to proceed. High sustainability standards for the new homes will mean that households will also benefit from significantly reduced energy bills”.*

41.3 Ian Bailey asked the following supplementary question:

*“Are you able to indicate what level of sustainability that might be perhaps in relation to the old code for sustainable homes levels or something along those lines that benchmarks it?”*

41.4 The Chair provided the following reply:

*“We’ll provide you that in a written answer”*

**(ii) Living Wage Joint Venture Business Plan**

41.5 Peter Clarke was unable to attend the meeting therefore his nominated representative, Ian Bailey, put the following question on his behalf:

*“Two of the sites identified within the LWJV business plan would be considered as ‘difficult’ to develop due to steep terrain and potential geotechnical considerations. If the value of the LWJV scheme is set at ~£120M and the number of homes to be delivered is 1000 this equates to ~£120k per unit including the cost of land, it is not clear if this is a viable benchmark against recent developments in the city. Given the additional costs with developing ‘difficult’ sites what protection is there to the rent levels in the event of escalating construction costs?”*

41.6 The Chair provided the following reply:

*“Extensive due diligence checks have been undertaken on the strategic financial model to ensure that the joint venture can deliver homes at living wage rent and that these rent level are protected. The new homes will be funded by sales receipts from the shared ownership properties in addition to the £59.8 million investment from each party. The business plan therefore has a total of £186 million to develop the new homes, which is significantly higher than the investment figure of £119.6 million. The financial model also includes an allowance for site purchase and abnormal costs. Abnormal costs have also been considered by the independent valuer and are therefore reflected in their site valuations.*

*As part of the due diligence process a number of scenarios have also been modelled including construction costs increase by 10%, drop in sales by 10%, and increase in land cost by 50%. The three sensitivities were also combined to show the impact of all three occurring simultaneously, the Business Plan would still be balanced. The living wage rents are set out in the business plan and any change to these would therefore need to be referred back to the council a reserved matter. Each project will be agreed by the joint venture board and the Development Manager will need to demonstrate that it is viable and in line with the parameters within the business plan to proceed. The business plan has also been reviewed by the independent Project Monitor who is satisfied with the assumptions used and found it to present ‘a viable business proposition’”*

41.7 Ian Bailey asked the following supplementary question:

*“In the event of profits being made from the Living Wage Joint Venture due to the expected average construction costs being met, what assurances can the limited liability partnership make regarding any profits being fed directly into the development of more affordable housing stock for Brighton & Hove through similar schemes and perhaps with the Brighton & Hove Community led housing opportunities and the Community Land Trust that have larger community benefits across the city”.*

41.8 On behalf of the Chair, the Executive Director, Economy, Environment & Culture Chair provided the following reply:

*“If additional surpluses were made, they would go back equally to each party. Clearly Hyde has charitable objectives to develop affordable housing and any surpluses that would come back to the city council would be subject to decisions by committee as to how those surpluses could be used. I would refer the questioner to the amendment that was agreed at Housing & New Homes Committee in terms of the commitments that were made by that committee to look at how the city council can support community land trust groups and other community housing providers to bring forward the development of sites and there was a commitment by that committee to bring a report back to a future meeting on that subject”.*

### **(iii) Living Wage Joint Venture Business Plan**

41.9 Caroline Bailey was unable to attend the meeting therefore his nominated representative, Ian Bailey, put the following question on his behalf:



*“One of the biggest concerns for residents of Coldean, Moulsecoomb & Bevendean are that family homes are over-extended, turned into HMOs then filled with students, pricing out families & making streets unpleasant to live in; what steps are being taken to protect LWJV developments across the city from this now or in the future?”*

41.10 The Chair provided the following reply:

*“The primary purpose of this joint venture proposal is to provide lower cost rental and sale homes for low income working households in Brighton & Hove and the council will retain control over the allocation of the homes through membership of the joint venture board. The letting of homes will be in-line with the council’s allocations policy and the joint venture will continue to have full control over the sale, letting and management of the homes. Through our 50% stake in the joint venture the council will be able to ensure that sub-letting is not allowed and prevent the use of the homes as HMOs. As with rent levels, the tenure of the new homes is set out in the business plan and any changes would therefore be considered a reserved matter and need to be referred back to the council”.*

41.11 Ian Bailey asked the following supplementary question:

*“Given that universities are seeking to increase their numbers gradually in the coming years, how is the council looking to use planning policy to generally safeguard communities against overall incremental HMO increases for instance, enabling or expecting universities to provide student accommodation on campus to cope with both the existing and expected numbers of students rather than hoping that the city’s housing stock will soak up their needs?”*

41.12 The Chair provided the following reply:

*“That’s probably a question that should be addressed to the Tourism, Development & Culture Committee which handles planning policy but I would say we’ve just got Preston Barracks through Planning Committee and obviously there’s the development at Falmer at the University of Sussex site so more purpose-built student accommodation is coming on stream. I think the question on whether student numbers will expand is not one I’d necessarily agree with and not one we can answer here. We’ll provide you with a relevant policy response on that”*

## **42 MEMBER INVOLVEMENT**

### **(a) WRITTEN QUESTIONS**

#### **(i) Contract Management- Councillor Sykes**

42.1 Councillor Sykes asked the following question:

*“With respect to the Council’s expanding Contract Management team, can I please be informed of the team’s target and expected cashable savings across the breadth of Council activities, for the current financial year and the 18-19 financial year?”*

42.2 The Chair provided the following response:

*“The council expects to save up to £0.5 million during the current financial year as a result of work by new staff deployed to support the work of the procurement team, with an emphasis on contract management. The target figure for 2018/19 is being worked up as part of the ongoing budget process, and reported to the Policy, Resources & Growth Committee on 30 November. The finalised figure will be reported to Budget Council in February 2018. At this stage it is expected to be approximately £1 million, however an element for both years may not be immediately cashable, given that social care markets are seeing significant inflation”*

- 42.3 Councillor Sykes thanked the Chair for his response noting that the issue related to the Green Group amendment passed at Budget Council and he was pleased to hear that had led to an improved financial position for the council.

### **43 TARGETED BUDGET MANAGEMENT (TBM) 2017/18: MONTH 5**

- 43.1 The Committee considered a report of the Executive Director, Finance & Resources in relation to Targeted Budget Management (TBM) 2017/18 Month 5. The report set out an early indication of forecast risks as at Month 5 on the council's revenue and capital budgets for the financial year 2017/18.
- 43.2 Councillor Sykes expressed his concern regarding the rise in unachieved savings of £1m since TBM 4 and asked for assurance that the Finance & Resources and Environment & Economy directorates would not be asked to meet the pressures from demand led services. Referring to paragraph 3.8, Councillor Sykes noted that there was a forecast overspend on Temporary Accommodation of £0.170m and expressed his concern that changes in approach toward anti-social behaviour by the council's private contractor for the service may have been a contributory factor in the rise. Councillor Sykes asked for clarification on the figures at paragraph 3.20 on the Collection Fund. Whilst a surplus of £2.35m was welcomed, there had been a reduction in Council Tax Reduction (CTR) awards and an increased in Severely Mentally Impaired (SMI) awards and asked for assurance that one was not simply balancing out the other.
- 43.3 The Executive Director, Finance & Resources replied that there was a very detailed savings plan and some of those savings were proving difficult to achieve, particularly with the demand led services. Where those savings were not being achieved, recovery plans were in place. The savings made in the Environment & Economy and Finance & Resource directorates were good news and he could provide assurance that they would not be used to compensate overspends in other areas. The Executive Director, Finance & Resources stated that the overspend in Temporary Accommodation and any contributing factors would be looked at in detail. The Executive Director, Neighbourhoods, Communities & Housing added that the council was currently in the process of appointing Welfare Support Officers to work with those in Temporary Accommodation with a focus on maintaining tenancies. The Head of Finance stated that SMI awards had increased and were projected to continue to with portion of that rise attributable to a concentrated awareness campaign and assured councillor Sykes that there was no cross subsidy between that SMI awards and CTR awards.
- 43.4 Councillor Sykes asked if for the status of the council's various Discretionary Funds. Referring to page 47 of the report, Councillor Sykes stated that he would query whether

the movement of £50,000 and £60,000 should be interpreted as minor and he hoped more detail on that movement could be provided in future reports. Furthermore, Councillor Sykes asked for confirmation that the Library Service savings were on track as reports to the Modernisation Board had suggest they were not.

- 43.5 The Executive Director, Finance & Resources replied that a status report on the council's Discretionary Funds could be provided to all three political groups, that the more detail on budget movements could be provided in future reports and the reporting threshold lowered. The Executive Director, Finance & Resources clarified that the Library Service savings were on track and the report to the Modernisation Board related to a specific capital project.
- 43.6 Councillor Wealls stated that he was mindful of the TBM 2 report considered by the committee at its previous meeting where his Group had proposed a motion setting aside a £640,000 contingency fund for any overspend and the committee were now discussing an overspend £280,000 in excess of risk provision. Councillor Wealls requested a vote be taken on recommendation 2.2 as he did not believe sufficient information had been provided to support the allocation of one-off funding. Councillor Wealls stated that no information had been provided in relation to the progress made toward Cityclean meeting competitor budgets and the roll out of communal refuse collection had been intended to reduce rather than increase costs.
- 43.7 Councillor Mitchell stated that the one-off funding detailed at recommendation 2.2 was to staff a third communal refuse vehicle and was entirely justified. Councillor Mitchell stated that the city's population was growing placing a greater pressure on core services and it was the council's duty to provide a good, reliable service to its residents.
- 43.8 Referring to page 34 of the agenda, Councillor Hamilton noted that in each of the previous three years, the forecast overspend had reduced through the year and there was no reason to believe that would not be case this financial year.
- 43.9 Councillor Wealls stated that he hoped any anticipated growth would be taken into account during budget setting to ensure financial prudence. In response to the point made by Councillor Hamilton, Councillor Wealls stated that similar arguments had been made ahead of financial crashes.
- 43.10 In reference to recommendation 2.2, Councillor Sykes stated that the sum was minor relative to the benefit it would be bring and he would be agreeing to the request. Councillor Sykes noted that together with the details mentioned in his earlier written question and the information detailed on page 60 and page 67 of the agenda, his Group had protected £2.25m of services in this and the previous financial year.
- 43.11 Councillor Yates noted that whilst the Green Group had moved various motions at Budget Council, they had ultimately voted against the wider budget for 2017/18. Councillor Yates added that he was aware that Councillor Wealls had made several public complaints about the standard of refuse collection so he was surprised that he did not welcome increased investment.
- 43.12 Councillor Janio stated that previous years demonstrated that a budget overspend declined as the year progressed and he was very concerned that overspend had

increased from TBM Month 2 to TBM Month 5. Councillor Janio added that having prudent financial reserve, as his Group had proposed, was the sensible approach.

#### 43.13 **RESOLVED-**

- 1) That the Committee note the forecast risk position for the General Fund, which indicates a budget pressure of £1.678m. This includes a forecast overspend of £0.088m on the council's share of the NHS managed Section 75 services.
- 2) That the committee approve one-off funding of the additional cost of Communal Bin rounds of £0.050m detailed in Appendix 3 under City Environmental Services from the council's available risk provision of £1.500m.
- 3) That the Committee note, subject to approval of recommendation 2.2 above, that total recurrent and one-off risk provisions of £1.450m are available to mitigate the forecast General Fund risk if the risks cannot be completely eliminated by year-end.
- 4) That the Committee note the forecast for the Housing Revenue Account (HRA), which is an underspend of £0.490m.
- 5) That the Committee note the forecast risk position for the Dedicated Schools Grant which is an overspend of £0.422m.
- 6) That the Committee note the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 5.
- 7) That the Committee agree to release the 2018/19 contingency of £0.079m within the Welfare Reform Reserve to support the Local Discretionary Social Fund in 2017/18 if required (para 6.3).

#### **44 REVALUATION DISCRETIONARY RATE RELIEF FOR BUSINESS RATE PAYERS**

- 44.1 The Committee considered a report of the Executive Director, Finance & Resources that set out the proposed Discretionary Rate Relief scheme.
- 44.2 Councillor Sykes stated that the council needed to make the best use of the funding available but there was no breakdown detailed in the report of the calculation made to maximise use of the funding without overspending. Councillor Sykes stated that he welcomed the results of the consultation that had materially changed the criteria that provided greater capacity to support local businesses.
- 44.3 The Revenues & Benefits Manager clarified that the bulk of applications would be completed by December that would allow time to be spent on the more complex cases. The Revenues & Benefits Manager explained that the business rates caseload had been profiled with real cases to see how scheme would work in practice and officers were assured on maximising the funding available without risk of overspend.
- 44.4 Councillor Wealls asked how multi-national companies and national companies would be defined and asked for assurance that the definition wouldn't be open to challenge.

- 44.5 The Revenues & Benefits Manager stated that there would be a case by case review against a multitude of factors. They would include the number of properties in the area, information on the business website and the status of the company.
- 44.6 Councillor Yates noted that the council could grant 100% discretionary relief for a property if it was occupied by an organisation that is not established or conducted for profit. Referring to The Bevy pub in Moulsecoomb, Councillor Yates stated that The Bevy had been refused discretionary relief as did not accord with a set of limited criteria even though it was a community interest company. Councillor Yates added that the criteria that judgement had been assessed upon had been agreed in 2011 and was now out of date. Councillor Yates asked for assurance that policy would be updated, particularly to include different types of businesses that operated for community and social benefit and not simply charities.
- 44.7 The Executive Director, Finance & Resources stated that whilst the council was currently adhering to its set criteria, the case of The Bevy provided opportunity to reassess that criteria, although it was essential to retain a consistent framework.
- 44.8 Councillor Janio enquired whether there would be a right of appeal if businesses were automatically enrolled for rate relief.
- 44.9 The Revenues & Benefits Manager stated that the determining system was very factual and evidence based and businesses would be matched against very detailed criteria. The Executive Director, Finance & Resources added that dialogue with the Revenue & Benefits team would be encouraged however; a long appeal process was not desirable as the rate relief assessment was very factually based.
- 44.10 Councillor Peltzer Dunn stated his concern that a number of local, county based businesses could be denied rate relief using the number of known properties outside of Brighton & Hove as a determining assessment. Referring to paragraph 3.18, Councillor Peltzer Dunn stated that “premises they occupy” should replace “ratepayers” as ratepayers did not have a rateable value.
- 44.11 The Revenues & Benefits Manager clarified that no one factor would be determinative to give discretion in cases such as the one raised by Councillor Peltzer Dunn.
- 44.12 Councillor Peltzer Dunn stated that in using a case by case judgement against set criteria, businesses would be unclear about why they had not been successful, particularly with no right of appeal.
- 44.13 The Executive Director, Finance & Resources stated that he believed that a categorisation be established once application began to be processed and he assured the committee that Members would be kept apprised of the schemes progress.
- 44.14 The Committee agreed to the proposal by Councillor Peltzer Dunn to correct the terminology in paragraph 3.18 of the report as set out in minute item 44.10.
- 44.15 **RESOLVED-** That Policy, Resource & Growth Committee approves the proposed 2017/18 Discretionary Rate Relief Scheme.

**45 SOCIAL CARE IT SYSTEM PROCUREMENT**

- 45.1 The Committee considered a report of the Executive Director, Finance & Resources that sought approval to conduct a procurement process and award a new social work case management IT system with a term of 5 years with an option to extend the term by 2 years and to access to funding to procure a new system.
- 45.2 Councillor Sykes stated that he was surprised there was no mention of the Procurement Advisory Board (PAB) in the report as there had been lengthy consideration of the issues at one of their recent meeting. Councillor Sykes asked what notice was given of new capital programmes given the amount requested and noted the excellent internal consultation undertaken and reported to PAB including lessons learned from other authorities that he hoped could be taken into account in awarding of the contract.
- 45.3 The Executive Director, Finance & Resources apologised for the omission of PAB that should have been referenced in the report and overall was adding value and giving committee assurance on decisions. The Executive Director, Finance & Resources stated there was a relative urgent need to invest in the council's Social Care IT systems as its current systems had been in place since 1999 albeit with updates since then.
- 45.4 **RESOLVED-**
- 1) That the Executive Director for Finance & Resources be granted delegated authority to:
- (i) Carry out the procurement and award of a new social work case management IT system contract for children's and adult services for an initial term of 5 years;
  - (ii) Agree an extension to the contract referred to in 2.1(i) above of up to 2 years; and
  - (iii) Approve the allocation of £2.5m for the contract referred to in 2.1(i) above from unallocated capital resources and include within the capital investment programme.
  - (iv) Note that the figure set out in 2.1 (iii) above is an estimate based on current information. A more detailed breakdown of costs is being worked on and will be submitted in a full business case on the project. An update report will be presented to Policy, Resources & Growth Committee based on this full business case.

**46 FORMER PETER PAN SITE, MADEIRA DRIVE - SEA LANES**

- 46.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture that set out the decision made using Officer Urgency Powers to amend the agreement between the council and Sea Lanes relating to the proposed development of the former Peter Pan site on Madeira Terraces approved by a Special Policy & Resources Committee in 2016.
- 46.2 Councillor Wealls asked if there would be a clause in the contract that compelled the company to clear the site should the lease be terminated after five years and whether the council had contingency to clear the site in the event the company went into administration.

- 46.3 The Executive Director, Economy, Environment & Culture confirmed that there was a clause compelling the company to clear the site in the event the lease was terminated. In the event the company went into administration, the council would negotiate with the appointed company administrators to recover its costs.
- 46.4 Referring to paragraph 3.5 of the report, Councillor Peltzer Dunn stated that he did not believe the Council's Valuer could make a judgement that the terms of the lease would represent best value in 150 years.
- 46.5 The Executive Director, Economy, Environment & Culture replied that at the current position and based on current rents and how rents would rise, officers were confident that best consideration would be achieved.
- 46.6 Councillor Peltzer Dunn enquired as to what point within the initial 5 year lease the option of a 150 year lease could be taken up.
- 46.7 The Executive Director, Economy, Environment & Culture replied that specific information was not available to hand and would be confirmed in writing after the meeting.
- 46.8 Councillor Mac Cafferty asked if there were provisions established in the event there were complications or continued uncertain regarding the future of Madeira Terraces.
- 46.9 The Executive Director, Economy, Environment & Culture stated the delay to refurbishment of Madeira Terraces was the only reason for the request for a 5 year lease. The Executive Director, Economy, Environment & Culture added that redevelopment of the former Peter Pan site was seen as a method to attract investment to the area and would assist with the investment case for Madeira Terraces. The Executive Director, Economy, Environment & Culture stated that whilst it was hoped the crowdfunding would be a success there were other opportunities to renovate Madeira Terraces including devolved funding bids.
- 46.10 **RESOLVED-** That the Policy Resources and Growth Committee notes the decision made using Officer urgency powers ( 7 (2) in Part 6 Scheme of delegation to Officers) in consultation with the Council Leader, to grant an agreement for lease for a 5 year lease with an option to take an agreement for lease for a 150 year lease at the end of the term, subject to planning approval.

#### **47 REVIEW OF THE CONSTITUTION - OCTOBER 2017**

- 47.1 The Committee considered a report of the Executive Lead Officer for Strategy, Governance & Law in relation to Review of the Constitution. The report proposed changes to the Council's Constitution for approval by the Committee and Council. The issues set out in the report had been considered by the cross party Constitutional Working Group (CWG).
- 47.2 Referring to page 140 of the agenda, Councillor Wealls noted that social impact bonds were wide ranging and therefore covered several directorates and he was concerned that the mechanism might not work in practice if delegated to the Neighbourhoods, Inclusion Communities & Equalities (NICE) Committee alone.

- 47.3 The Executive Lead Officer, Strategy, Governance & Law replied that it was intended that social impact bonds would operate within the remit of the NICE Committee. If it was found that this caused constraint in practice, the issue could be revisited.
- 47.4 Councillor Wealls enquired whether the paragraph should be amended to reflect a broader operation.
- 47.5 The Executive Lead Officer, Strategy, Governance & Law stated that the existing wording was likely to be sufficient in his view and officers could work to that understanding in practice.
- 47.6 Referring to paragraph 3.6, Councillor Sykes stated that the issue of delegation to officers in relation to property transaction thresholds had not been discussed by the Policy Panel. Furthermore, the Terms of Reference for the Asset Management Board (AMB) included a section to continually consider that delegated threshold.
- 47.7 The Executive Lead Officer, Strategy, Governance & Law stated that the CWG was of the view that the threshold should not change and apologised if the view of the AMB had been misrepresented. In the event that the AMB did want to vary the threshold, that could be considered by this committee.
- 47.8 Councillor Mitchell stated that as Chair of the Policy Review Panel, she understood there had been discussion but no firm view or decision made on delegated thresholds and the Panel had left it to the AMB to consider.
- 47.9 The Executive Lead Officer, Strategy, Governance & Law stated that the issue would be resubmitted to the CWG to consider.
- 47.10 Councillor Mac Cafferty stated that whilst he acknowledged that there had been consultation with the CWG and Leaders Group on amendments to the constitution, this was now the third or fourth time the committee had considered a review and that he felt a public consultation was necessary in order to prevent the council's rules and procedures becoming self-referential. Furthermore, Councillor Mac Cafferty believed it unreasonable that the recent LGA Peer Review had been continually referenced when it was not in the public domain and the findings had not been considered and all references to the Review should be excluded from reports until that had occurred.
- 47.11 The Executive Lead Officer, Strategy, Governance & Law stated that many of the changes to the Constitution related to the internal workings of the council and on that basis, it was not considered an appropriate use of resources to undertake a public consultation. In relation to the LGA Peer Review, the Executive Lead Officer, Strategy, Governance & Law clarified that this was not a confidential report and could be accessed under a Freedom of Information (FOI) request. An assessment on how to progress the findings was currently being undertaken.
- 47.12 Councillor Mac Cafferty stated that minor textual amendments over a period of three to four years could lead to major changes as a net effect and he hoped the CWG would consider public consultation in the future. The Executive Lead Officer, Strategy, Governance & Law agreed to raise this with the Constitutional Working Group.



- 47.13 Referring to paragraph 3.10 and page 133 of the report, that considered whether a councillor could request an application be considered by Planning Committee, Councillor Peltzer Dunn noted that he had often received requests from residents that applications be considered by committee on the basis of fulfilling democratic duty and not leaving the decision to delegated officer powers. Councillor Peltzer Dunn stated that the proposals would make that process much more difficult firstly because the councillor would be asked whether they were in support or opposed the application when often councillors might seek to be ambivalent about the application. Furthermore, Councillor Peltzer Dunn noted that section a) Appendix 3 requested of the public objections relating to material planning considerations yet section c) did not make such a request of Members and that appeared unfair.
- 47.14 The Executive Lead Officer, Strategy, Governance & Law noted that there was no proposal to amend section a). In relation to section c), the Executive Lead Officer, Strategy, Governance & Law stated that councillors represented the wider communities that elected them and it was democratic right for Members to articulate their concerns or wishes and on that basis, it was legitimate to give more weight to their views as community representatives. The Executive Lead Officer, Strategy, Governance & Law noted that there was a difficulty perceived in that a very high number of applications were being referred without explanation to Planning Committee that placed strain on the amount of business it had to transact and was slowing its decision making process. Therefore, it was proposed that when requesting an application be considered by the Committee, Members add a few sentences as to why. The proposal for that to be based on a support or objection to the application was to enable the case officer to decide whether to refer it to the committee as, if the outcome the Member is seeking is the same as the Officer's proposal, it would avoid the need to refer it to committee. The Executive Lead Officer, Strategy, Governance & Law added that a short letter from Members outlining reasons for referring any application to the committee that did not set out support or opposition to the application would, in his view, also be acceptable. The Executive Lead Officer, Strategy, Governance & Law noted that the request to make the proposed change had come from the cross-party Planning Members Working Group based on their experience and he felt it would be better, if there are any changes, for the proposal to be considered by that Group first.
- 47.15 Councillor Peltzer Dunn thanked the Executive Lead Officer, Strategy, Governance & Law for his assurance that Members could write to ask applications be considered by the Planning Committee without the need to state their view, be that support or opposition. Councillor Peltzer Dunn reiterated that he believed that material planning considerations should also apply to Members.
- 47.16 The Executive Lead Officer, Strategy, Governance & Law replied that the issue would be referred to the cross-party Members Group for their consideration.
- 47.17 Councillor Janio stated his concern that increased delegation was being given the Executive Director, Neighbourhoods, Communities & Housing and there was a risk that the portfolio could become unmanageable. Councillor Janio stated that an amendment should be made to section 6 b) of Appendix 5 to read "To exercise the Council's functions in relation to social impact bonds *delivered by the community and voluntary sector*". Councillor Janio stated that this was to confirm that the NICE Committee could

oversee social impact bonds delivered by the community and voluntary sector but not those covering other areas such as health.

47.18 The Committee were in agreement with the change.

47.19 Councillor Yates noted that paragraph 3.19 and the related Rule 18 in Appendix 6 relating to substitution at meetings did not give any clarity on the formal process for how a substitute was appointed. Councillor Yates relayed several incidents from past meetings in demonstration of why he believed a mechanism was needed.

47.20 The Chair then put the recommendations, as amended, to the vote which was agreed.

**47.21 RESOLVED-**

- 1) That the Policy, Resources & Growth Committee approves the recommendations set out at paragraphs 3.2 to 3.11 (Scheme of Officer Delegations) and Appendices 1-3.

**RESOLVED TO RECOMMEND-**

- 2) That the Policy, Resources & Growth Committee recommends to full Council the proposed changes to the Council's constitution as set out at paragraphs 3.12 to 3.19 in the report and Appendices 4-6 as amended.

**48 LOCAL HEALTH AND SOCIAL CARE INTEGRATION**

48.1 The Committee considered a report of the Chief Executive that provided an update on the scope and interim governance arrangements for local health and social care integration and the roles of councillors and CCG Governing Body members during the shadow year of operation in 2018/19.

48.2 Councillor Sykes asked for clarification that the council's net budget for Primary Care Services was zero as detailed on page 155 of the agenda as he understood there was an allocated budget of £18m for Public Health.

48.3 The Executive Director, Finance & Resources stated that the collaboration was at a very early stage and the detail and presentation of budgets had some way to go. Increased clarity would be found as work on the joint arrangement continued.

48.4 Referring to the governance arrangement diagram on page 160 of the agenda, Councillor Mac Cafferty asked for clarification as it appeared that PR&G Committee, Full Council and Health, Overview & Scrutiny Committee (HOSC) had no relationship. Councillor Mac Cafferty stated that there was a lack of detail in the report on the disputes over acute budgets and no detail on how that would work in the shadow arrangement. Councillor Mac Cafferty added his concern regarding the proposal to allocate further responsibility to HOSC as it was currently overworked in a number of areas, did not have the capacity at officer level and was currently refusing to commission new work. Councillor Mac Cafferty expressed further concern in relation to the officer board and specifically how Members could hold the board to account.

- 48.5 The Chief Executive clarified that the governance arrangement diagram was a working document and continual refinements would be made adding that there was a strong relationship between all committees and Full Council and any requests for additional resources would have to be considered by PR&G Committee. In reference to disputes over acute budgets, the Chief Executive provided assurance that on a practical level, there was daily dialogue between hospital and social care staff and there was further work for the officer group on the economics of the arrangement and whether more efficiency could be achieved from the current system. With reference to HOSC, continued support would be provided to scrutinise issues of policy and practice with policy matters ratified by the Health & Wellbeing Board. The Chief Executive provided clarification that the officer board would not be making any significant decisions and matters of policy and finance would be considered by PR&G Committee and Health & Wellbeing Board.
- 48.6 Referring to recommendation 2.4, Councillor Wealls asked how oversight was defined and determined.
- 48.7 The Chief Executive clarified there would be a suite of reports detailing how money was being spent, similar to the TBM reports received by this committee.
- 48.8 Councillor Yates stated that the proposals related to the arrangements for the shadow year and there would be much more detail as integration progressed. Councillor Yates stated that increased transparency was vital demonstrated by the fact that the Health & Wellbeing Board did not currently receive any budgetary reporting from the CCG. Councillor Yates stated that oversight of the way the council and CCG budgets interacted was crucial to minimise disputes and create an improved spending framework to deliver better services.
- 48.9 Councillor Janio stated that he agreed with the comments made by Councillor Yates, adding that it was very important to have increased Member oversight on Adult Social Care services, something that was currently lacking.
- 48.10 RESOLVED-**
- 1) That the establishment of a shadow operational year commencing on 1<sup>st</sup> April 2018 during which officers from BHCC and the CCG will prepare for full integration in April 2019 be agreed;
  - 2) That the formation of a joint officer board (BHCC and CCG) that will be tasked with planning the smooth introduction of the new integrated services be noted;
  - 3) That the initial scope of the activities to be included from the outset of the shadow year, through which period the confirmed longer term scope will be identified and brought back for formal agreement (see para 3.10), be noted;
  - 4) That an interim governance arrangement for 18/19 that gives authority for HWB to have oversight of the integrated budget as set out in appendix 1, be agreed;
  - 5) That the design principles set out in para 3.18 which will guide the development of the partnership be agreed;

- 6) That authority be delegated to the Chief Executive, in consultation with the Chair and Deputy Chairs of the HWB, to take all steps necessary or incidental to progressing the project;
- 7) That it be noted the CCG Governing Body will delegate to the Chief Accountable Officer authority to take all steps necessary or incidental to progressing the project; and
- 8) That it be noted the proposals listed above do not change existing delegated powers or the constitution of either party.

#### **49 HOME PURCHASE POLICY**

- 49.1 The Committee considered a report of the Executive Director, Neighbourhoods, Communities & Housing that request approval of a policy framework for the purchase of homes by the council and associated budget approval.
- 49.2 Councillor Sykes welcomed the report adding that he was pleased his Group colleagues had received unanimous support for their amendment at the Housing & New Homes Committee that would increase funding for the initiative.
- 49.3 Councillor Bell welcomed the report that represented a good step forward and excellent demonstration of joint working.

#### **49.4 RESOLVED-**

- 1) That a budget of £2.000m within the HRA Capital Programme 2017/18 for the purpose of purchasing former council homes, to be funded from Right to Buy receipts (£0.600m) and HRA borrowing and/or reserves (£1.4m) be approved; and
- 2) That it be agreed that for the duration of the pilot scheme, the allocation should seek to provide 75% general needs accommodation unless the business case is not viable, then 25% to temporary accommodation, and will charge social rents up to living wage rents, subject to the business case model (appendix 2 shows that no subsidy is needed).

#### **50 LIVING WAGE JOINT VENTURE BUSINESS PLAN**

- 50.1 The Committee considered a report of the Executive Director, Economy, Environment & Culture that sought approval of the Living Wage Joint Venture Business Plan and other associated matters.
- 50.2 The Chair thanked all officers involved in the Business Plan for their efforts over a two year period, Hyde Housing for their commitment to the project and members of all parties on Housing & New Homes Committee who had engaged in a very lengthy debate on the proposals but had made them better for it.
- 50.3 Councillor Sykes stated that he was very supportive of the proposals and similarly praised colleagues on Housing & New Homes Committee. Councillor Sykes added that he hoped the venture could get underway as quickly as

possible.

- 50.4 Councillor Bell stated his support for the proposal noting that his only concern was procedure and due diligence through the Joint Venture Board. Councillor Bell added that he hoped Hyde Housing land being offered in the near future.
- 50.5 The Executive Director, Economy, Environment & Culture replied that the business model allowed sites to be purchased be it from the council, on the open market or Hyde Housing and was an option available to the Joint Venture Board. With reference to due diligence, there would be representation on the Board by a member of each of the three political groups supported by officers and there were a number of reserved matters within the Terms of Reference for the Board where a decision would have be made thereon by PR&G Committee.
- 50.6 Councillor Yates enquired as to the process for re-appointment of Members to the Joint Venture Board.
- 50.7 The Executive Lead Officer, Strategy, Governance & Law clarified that the appointment was to an outside body so would follow the established constitutional process of appointment at either Annual Council or PR&G Committee outside that timeframe.
- 50.8 Councillor Yates moved a motion to amend recommendation 2.10 as shown in bold italics below:
- 2.10 Agree the appointment of the council's representatives on the Board of the Limited Liability Partnership (LLP) and the Design & Build subsidiary company ***to be Councillor Meadows, Councillor Gibson and Councillor Mears.***
- 50.9 The Chair formally seconded the motion.
- 50.10 The Chair put the motion to the vote which was agreed.
- 50.11 The Chair put the recommendations as amended to the vote that were agreed.
- 50.12 **RESOLVED-** That the Policy, Resources & Growth Committee:
- 1) Agree the Business Plan in Part 2 of the report and delegate authority to the Executive Director Economy, Environment and Culture to take all steps necessary to enable and facilitate the implementation of the Business Plan;
  - 2) Agree that the joint venture should seek, within the constraints of the agreed business plan, to maximise the use of photo voltaic and other energy saving measures and that plans to achieve this should be reported to Housing & New Homes committee
  - 3) Authorise the disposal of Former Belgrave Site Day (South Portslade Industrial Estate), Clarendon Place, Portslade (as shown in Appendix 1) by

way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;

- 4) Authorise the disposal of Land north of Varley Halls, Coldean Lane, Brighton (as shown in Appendix 2) by way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;
- 5) Authorise the disposal of Land north west of Whitehawk, Brighton (as shown in Appendix 3) by way of long leasehold and that delegated authority be given to the Executive Director Economy, Environment and Culture, Assistant Director of Property & Design and Executive Lead Officer Strategy, Governance & Law to agree terms and execute all legal documentation necessary to dispose of the site to the LWJV;
- 6) Note the value for the disposals will accord with the valuations for each of the sites assessed by Savills and set out in Part 2 of the report;
- 7) Agree the capital receipts from the disposal of these sites are used for the council's investment into the Living Wage Joint Venture;
- 8) Approve the inclusion of loans to the Living Wage Joint Venture within the Councils Capital Investment Programme in line with agreed drawdowns approved by the Living Wage Joint Venture Board;
- 9) Agree the appointment of the council's representatives on the Board of the Limited Liability Partnership (LLP) and the Design & Build subsidiary company to be Councillor Meadows, Councillor Gibson and Councillor Mears.
- 10) Agree that a review be undertaken by the board into the model levels of maintenance costs after year 10 in the business model, with the outcome of this review to be reported to Housing & New Homes committee.

## **51 ITEMS REFERRED FOR COUNCIL**

- 51.1 No items were referred to Full Council for information.

## **52 PART TWO MINUTES**

- 52.1 **RESOLVED-** That the Part Two minutes of the previous meeting held on 13 July be approved and signed as the correct record.

## **53 PART TWO PROCEEDINGS**

- 53.1 **RESOLVED-** That the information contained in Part Two remain exempt from disclosure to the press and public.

The meeting concluded at 6.30pm

Signed

Chair

Dated this

day of





**Subject:** Petitions Referred from Council  
**Date of Meeting:** 30 November 2017  
**Report of:** Executive Lead for Strategy Governance & Law  
**Contact Officer: Name:** Mark Wall **Tel:** 01273 291006  
**E-mail:** [mark.wall@brighton-hove.gov.uk](mailto:mark.wall@brighton-hove.gov.uk)  
**Wards Affected:** All

**FOR GENERAL RELEASE**

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 To receive those petitions presented to the Full Council and referred to the committee for consideration.
- 1.2 To receive any petitions to be presented or which have been submitted via the council's website or for which notice has been given directly to Democratic Services.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee responds to the petition either by noting it or writing to the petition organiser setting out the Council's views, or where it is considered more appropriate, calls for an officer report on the matter which may give consideration to a range of options, including the following:
- taking the action requested in the petition
  - considering the petition at a council meeting
  - holding an inquiry into the matter
  - undertaking research into the matter
  - holding a public meeting
  - holding a consultation
  - holding a meeting with petitioners
  - calling a referendum

**3. PETITIONS**

3.1 Referred petitions:

- i) **Reduce the use of Single-use Plastics in Brighton and Hove**  
Petition from Mr. J. Arney referred from the Council meeting held on 2<sup>nd</sup> November, 2017 (463 signatures).

To receive the following Petition:

*“We the undersigned request Brighton & Hove City Council to generate a report to be brought to Policy, Resources and Growth Committee on the options for bringing an end to the use of unnecessary Single Use Plastics (SUP) in Brighton and Hove.”*

ii) **Water fountains to reduce rubbish and pollution**

Petition from Mr. Charles Cross referred from the Council meeting held on 2<sup>nd</sup> November, 2017 (2,600 signatures).

To receive the following Petition:

*“We the undersigned petition Brighton & Hove Council to provide research into a full costing for setting up 6 simple drinking “fountains” (taps) capable of being used to fill bottles around the town in order to attempt to reduce the excessive use of plastic in purchased water bottles and the consequent pollution and cost of rubbish disposal. Such a costing should take into account any savings from reduced rubbish as well as the construction and running costs of each fountain and could exact a small levy on supermarket rent and rates to contribute to the running costs.”*

**Note:** A minute extract of the meetings proceedings and recommendations therein are attached at Appendix 1 overleaf

<b>Subject:</b>	<b>Water Fountains to Reduce Rubbish and Pollution – Petition:</b> Extract from the proceedings of the Council Meeting held on the 2 November 2017		
<b>Date of Meeting:</b>	30 November 2017		
<b>Report of:</b>	Executive Lead for Strategy, Governance & Law		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Wall</b>	<b>Tel: 01273 291006</b>
	<b>E-mail:</b>	<a href="mailto:mark.wall@brighton-hove.gov.uk">mark.wall@brighton-hove.gov.uk</a>	
<b>Wards Affected:</b>	All		

**FOR GENERAL RELEASE**

***Action Required of the Policy, Resources & Growth Committee***

To receive the item referred from the Council for consideration.

**Recommendations:**

That the Committee consider receiving a report on the costings requested in the petition as detailed in paragraph 3.1 and such report be extended to include advice on the public health risks associated with public drinking water fountains and taps and the measures to mitigate these risks that would also go to the costs.

**BRIGHTON & HOVE CITY COUNCIL****COUNCIL****4.30PM 2 NOVEMBER 2017****COUNCIL CHAMBER, BRIGHTON TOWN HALL****DRAFT MINUTES**

**Present:** Councillors Marsh (Chair), Simson (Deputy Chair), Atkinson, Barford, Barnett, Bell, Bennett, Bewick, Brown, Cattell, Chapman, Cobb, Daniel, Deane, Druitt, Gibson, Gilbey, Greenbaum, Hamilton, Hill, Horan, Hyde, Janio, Knight, Lewry, Littman, Mac Cafferty, Meadows, Mears, Miller, Mitchell, Moonan, Morgan, Morris, Nemeth, A Norman, K Norman, O'Quinn, Page, Peltzer Dunn, Penn, Phillips, Robins, Russell-Moyle, Sykes, Taylor, C Theobald, G Theobald, Wares, Wealls, West and Yates.

**32 PETITIONS FOR COUNCIL DEBATE****(a) WATER FOUNTAINS TO REDUCE RUBBISH AND POLLUTION**

- 32.1 The Mayor stated that where a petition secured 1,250 or more signatures it could be debated at the council meeting. She had been made aware of two such petitions and would therefore take each in turn.
- 32.2 The Mayor then invited Mr. Charles Cross as the lead petitioners to present the petition calling on the Council to look into the provision of drinking fountains capable of being used to fill bottles around the city, in order to reduce the excessive use of plastic in purchased water bottles:

"We the undersigned petition Brighton & Hove Council to provide research into a full costing for setting up 6 simple drinking "fountains" (taps) capable of being used to fill bottles around the town in order to attempt to reduce the excessive use of plastic in purchased water bottles and the consequent pollution and cost of rubbish disposal. Such a costing should take into account any savings from reduced rubbish as well as the construction and running costs of each fountain and could exact a small levy on supermarket rent and rates to contribute to the running costs."

**Additional Information**

"In this way we can plan a future where no water is sold in bottles in Brighton and people carry a bottle knowing there are multiple water refill points throughout the city. The fountains could be made into more elaborate and ornamental structures through crowd funding which would add to the charm of the town and contribute to reduced litter in the streets, beaches and countryside."

- 32.3 Mr. Cross thanked the Mayor and stated that over 2,600 people had signed the petition making it the 3<sup>rd</sup> highest in the council's history. He stated that there was a need for the city council to take a progressive step and follow other leading cities such as San Francisco in banning the sale of bottled water on city owned land and in city buildings and to provide water filling stations across the city. He suggested that other organisations such as super markets could be encouraged to locate the water fountains in their premises and noted that Borough Market in London had installed a water fountain. He therefore urged the council to give this matter due consideration.
- 32.4 The Mayor thanked Mr. Cross and noted that there were three amendments to the recommendation listed in the report on the petition. She therefore called on Councillor Morgan to respond to the petition and to move the amendment on behalf of the Labour & Co-operative Group.
- 32.5 Councillor Morgan thanked Mr. Cross for presenting the petition and stated that the amendment was to refer the matter to the Policy, Resources & Growth Committee rather than the Environment, Transport & Sustainability Committee. He agreed that there were environmental issues with the use of plastic water bottles and noted that the council had stopped using them at council meetings. He also noted that there were questions around the cost of provision and associated health matters in regard to the provision of water fountains but he was happy to request officers to bring a full report to committee in due course.
- 32.6 Councillor Moonan formerly seconded the amendment.
- 32.7 Councillor Wares moved an amendment on behalf of the Conservative Group and also welcomed the petition and stated that he would support both the Labour & Co-operative and Green Groups' amendments. He also noted that the issue had been raised previously at the Environment, Transport & Sustainability Committee in 2014 and hoped that some progress could be made this time.
- 32.8 Councillor Bell formerly seconded the amendment.
- 32.9 Councillor Mac Cafferty moved an amendment on behalf of the Green Group and stated that the use of the Community Infrastructure Levy should be considered as a means of financing the provision of fountains so that publicly accessible water could be provided. He noted that people were aware of the corrosive impact of plastic on the environment and that the provision of water fountains was one way of reducing the use of plastic bottles.
- 32.10 Councillor Druitt formerly seconded the amendment.
- 32.11 Councillor Morgan noted the comments and stated that it appeared councillors were in agreement about the general approach to the matter which could therefore be taken forward.

32.12 The Mayor noted that three amendments had been moved and stated that she would therefore take in each in turn and put them to the vote. The Mayor noted that all three amendments had been carried.

32.13 **RESOLVED:**

- (1) That the petition be noted and referred to the Policy, Resources & Growth Committee for consideration at its meeting on the 30<sup>th</sup> November, 2017;
- (2) That the Committee be requested to consider receiving a report on the costings requested in the petition as detailed in paragraph 3.1 and such report be extended to include advice on the public health risks associated with public drinking water fountains and taps and the measures to mitigate these risks that would also go to the costs; and
- (3) That a report be brought to the relevant committee exploring the proposals set out in the petition at paragraph 3.1; including the options for utilising the Community Infrastructure Levy as a possible means of funding and specifically, that further to the decision of the Tourism, Development & Culture Committee on the 21<sup>st</sup> September to consult on a preliminary charging schedule, that water fountains be considered for inclusion in the BHCC regulation 123 infrastructure list, as part of health care infrastructure provision.

**NOTICE OF MOTION**

**BANNING OF SINGLE USE PLASTICS**

This Council requests:

- (1) The Environment, Transport & Sustainability Committee to consider calling for a report detailing the economic and environmental impact of single use plastics, and the potential for a ban on the purchase of 'single use plastics' in all BHCC buildings and agencies;
- (2) The Policy, Resources & Growth Committee to consider the implementation of a ban on the purchase of 'single use plastics' in all BHCC buildings and agencies; taking into account the financial implications of such a ban and the recommendations of the Environment, Transport & Sustainability Committee;
- (3) To request the Procurement Advisory Board to encourage all businesses with which the council engage, via the procurement network, to support the banning of these consumables in their place of work.

Supporting Information

We produce roughly 300 million tons of plastic each year and half of it is disposable. The nature of petroleum based disposable plastic makes it difficult to recycle and new materials and chemicals must be added to it to do so.

Although plastic will not biodegrade, it will break down into tiny particles after many years. In the process of breaking down, it releases toxic chemicals which make their way into our food and water supply. These toxic chemicals can be found in our bloodstream. And the latest research has linked them to cancer, infertility, birth defects, impaired immunity and many other ailments.

Single use plastics are a major source of marine litter. Items such as bags, bottles and straws present a physical danger for marine life. In landfill or in our oceans, these everyday objects result in a vast loss of energetic and material value to the economy. The transition to a circular economy offers opportunities to close the loop and prevent marine litter and its ecological, social and economic impacts.

Further note:

1. £64-97 billion of material value from plastic packaging alone is lost to the economy each year.
2. Sectors such as tourism, fishing and shipping are commonly impacted by marine litter, and there is an economic burden on local authorities through clean-up costs.





**NOTICE OF MOTION**

**UNNECESSARY SINGLE-USE PLASTICS**

This Council resolves to:

Request that a report be brought to Policy, Resources and Growth Committee on the options for bringing an end to the use of unnecessary Single Use Plastics (SUP) in Brighton and Hove, taking account of the following measures to:

- a) enable Brighton and Hove City Council to become a full signatory of the 'Plastic Free Pledge', by phasing out the use of unnecessary SUPs in all City Council buildings, and working with commissioning partners to end the purchase and procurement of SUPs through the BHCC supply chain;
- b) encourage the city's businesses, organisations and residents to go 'plastic free,' working with best practice partners in the city to explore the creation of a 'plastic free network,' that could provide business support, practical guidelines and advice to help local businesses transition from SUPs to sustainable alternatives;
- c) to incentivise traders on Council land to sell re-usable containers and invite customers to bring their own, with the aim of phasing out SUPs; including investigating the possibility of requiring food and drink vendors to avoid SUPs as a condition of their event permission, strengthening the existing Sustainable Event Commitment Form and guidance circulated to exhibitors and traders

Supporting Information

There is a need to be aware of the damaging impact that Single Use Plastics (SUP) have on both our environment and public health, recognising that as a coastal city (and also a designated Biosphere), Brighton and Hove has a key role to play in reducing plastic waste.

(1) Unnecessary (*i.e. excluding medical items*) Single-Use Plastics (SUP) used once before disposal e.g. bottles, cups and straws, are not widely recycled. Studies from Columbia University show SUPs can take up to 600 years to degrade, breaking into fragments that cause damage to the environment and permeate the food chain. Recent studies found that 72% of U.K tap water samples were contaminated with plastic fibres, and a third of all fish caught off the British coast contained plastic.

(2) The Plastic Free Pledge encourages organisations and individuals to reduce SUP waste <https://plasticfreepledge.com/> A petition calling on the Council to issue guidelines to local businesses on plastic reduction is here: <http://bit.ly/2gtwqFC> and a petition calling on Government to reduce and end SUPs here: <http://bit.ly/2xSFLhs>

(3) Several trailblazing businesses and organisations in Brighton and Hove have already implemented plastic free alternatives, such as Brighton Catering Supplies, Silo, HisBe supermarket and The Tempest Inn. In particular, 56 venues in Brighton and Hove have pledged to limit or remove many SUPs, such as plastic straws.



**NOTICE OF MOTION****MITIGATING THE ADVERSE IMPACT OF UNIVERSAL CREDIT**

In view of the potential impact of the transition to Universal Credit and the number of individuals and families likely to fall into rent arrears and possible eviction, the Council resolves to:

1. Request the Policy, Resources & Growth Committee to receive a report outlining how the Council can be as effective as possible on this matter, taking into consideration the following actions:
  - Where arrears are solely due to delay or wait-period for Universal Credit payments or removal of entitlement under Universal Credit, that officers use all means other than evictions and bailiffs to recover rent due; e.g. to delay any eviction proceedings in cases where Universal Credit Claims have not yet been processed;
  - That the Council work with partners to ensure all those affected by benefit changes are prioritised to prevent eviction and homelessness;
  - Explores the options for increasing the existing Discretionary Housing Payments budget, to support the distribution of greater one off payments in cases where eviction is a real risk following Universal Credit payment delays;
2. Ask the Chief Executive to write to the Secretary of State, requesting a reinstatement of the cut to New Homes Bonus Payments, so that a ring-fenced budget can be made available to cover the cost of increased homelessness resulting from Universal Credit

**Supporting Information:**

The plans to mitigate the impact of Universal Credit (UC) were raised in the recent report to NICE committee (09.10.2017). Concerns about the design and implementation of UC were raised, in particular the impact of the initial payment waiting period, which has resulted in reported cases of rent arrears and debt in areas where Universal Credit has already been trialed.

1. The Council previously supported a policy in order to protect tenants facing eviction as a result of the bedroom tax: ([http://present.brighton-hove.gov.uk/Published/C00000709/M00004056/\\$\\$\\$Decisions.doc.pdf](http://present.brighton-hove.gov.uk/Published/C00000709/M00004056/$$$Decisions.doc.pdf)) and a policy to protect under 21 tenants facing eviction from housing benefit cuts: ([http://present.brighton-hove.gov.uk/Published/C00000117/M00006133/AI00056672/\\$Item97fGrnGrpHousingSupportNoEvictions.docxA.ps.pdf](http://present.brighton-hove.gov.uk/Published/C00000117/M00006133/AI00056672/$Item97fGrnGrpHousingSupportNoEvictions.docxA.ps.pdf))
2. In the Universal Credit pilot in the London Borough of Croydon the council has had to spend an addition £3 million on dealing with homelessness and rent arrears caused by late payments
3. A recent survey from the National Landlords Association (18.10.2017) revealed that only two in ten landlords are willing to let to tenants who state they are in receipt of Universal Credit.



<b>Subject:</b>	<b>Council Tax Reduction Review</b>
<b>Date of Meeting:</b>	<b>30<sup>th</sup> November 2017</b>
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>
<b>Contact Officer:</b>	<b>Name: John Francis</b>
	<b>Email: <a href="mailto:john.francis@brighton-hove.gov.uk">john.francis@brighton-hove.gov.uk</a></b>
<b>Ward(s) affected:</b>	<b>All</b>

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The council is required to review the Council Tax Reduction (CTR) scheme once a year. This report sets out the findings of that review.

**2. RECOMMENDATIONS:**

That the Policy, Resources & Growth Committee:

- 2.1 Notes the review of the Council Tax Reduction scheme.
- 2.2 Notes that the calculative elements of the scheme will be uprated in line with national amounts. (These are the amounts used to work out CTR entitlements based on the number and age of people in the household and their circumstances)
- 2.3 Notes the latest forecast reductions in claimant numbers will meet the forecast cost of the scheme included in the integrated service and financial plans (ISFPs) for 2018/19.
- 2.4 Approves £150,000 funding for the discretionary fund in 2018/19; this would require one-off funding of £140,000.
- 2.5 Recommends the scheme to Full Council.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Since April 2013 the Government has prescribed that councils must have their own Council Tax Reduction schemes for people of working age. The scheme for people of pensionable age is set by national rules, protecting their entitlement so that it is equivalent to the level they would have received under the pre-2013 national Council Tax Benefit scheme.
- 3.2 In April 2013 when CTR was introduced there were a total of 27,809 claimant households, 10,421 of which were of pensionable age, and 17,388 were of working age. As at October 2017 the total number of CTR claims was 20,816 claimant households, 8,112 claims from people of pensionable age and 12,704 for people of working age.

- 3.3 As CTR does not provide for a full reduction of Council Tax liability in the majority of cases, individuals are responsible for paying the shortfall. The collection rate for people on CTR continues to be approximately 80% in year. Repayments are sometimes spread into future years, meaning that the collection rate improves over time. For people who have entitlement to CTR in 2017/18, the ultimate collection rate over a number of years is likely to be between 85 and 90%. The overall ultimate collection rate for Council Tax in 2017/18 is expected to be 99%.
- 3.4 When the scheme was introduced, the Government reduced the funding available to Councils by 10% compared to the amount paid under the previous national scheme. Since April 2014 the funding has been incorporated into the Revenue Support Grant and the Business Rates baseline, and so the funding available for CTR is proportionate to those revenue streams. The Revenue Support Grant income has reduced significantly since 2014 and will reduce further over the next two years.
- 3.5 In 2018/19, the shortfall between the cost of the current CTR scheme and the residual funding transferred is currently forecast to be £4.5million. This is an increase of £0.600million from 2017/18.
- 3.6 Since April 2013 the yearly shortfall, or subsidy, has increased from £1.4million to £4.5million.
- 3.7 In keeping with other councils responsible for CTR, the scheme in Brighton & Hove is an amended version of the old Council Tax Benefit scheme. The differences between the Council Tax Benefit and the current scheme are:
- Working people on CTR receive up to 80% discount on their Council Tax (instead of up to 100%)
  - The maximum amount of capital a person may hold is £6,000 (reduced from £16,000)
  - Second adult rebate has been ended (a feature of the old scheme that allowed for a discount in some cases instead of means-tested Council Tax Benefit);
  - Adults who live in their parents' home are expected to contribute more towards the Council Tax
  - There is a minimum award of £5 per week, so if a person's assessment is less than that, they do not qualify for any CTR;
  - The taper rate has been changed from 20% to 25% (this is the amount of pence in the pound that we reduce entitlement by, if a claimant's income exceeds their assessed needs);
  - The maximum band a claim will be based on is Council Tax band D
  - The following can earn more before their earnings affect their benefit: single people, disabled people and carers.

A table setting out the CTR schemes of all local authorities is set out in Appendix 1.

- 3.8 As set out in 3.6, the council subsidises the scheme, and the amount of subsidy has increased year on year since April 2013. However, the changes in 3.7 have somewhat limited the increasing cost of that subsidy. The changes have also

resulted in a reduction of the level of individual awards made to claimants. The average weekly entitlement to CTR is £15.18 per week which is credited to the persons Council Tax account. This includes reductions in awards due to earnings and other income. The average amount of Council Tax payable due to the 80% maximum award is £4.11 per week per household.

### **Mitigations**

- 3.9 To support people who are in receipt of CTR, the Revenues & Benefits service has a Debt Prevention team to help people pay their council tax before they fall into arrears. A discretionary fund has also been established to support people in exceptional circumstances as referred to in 2.4. Separate discretionary schemes are available to help people with housing costs and emergencies. These are administered alongside, advice and casework support. Finally budgeting and financial advice was provided initially through a dedicated contract and subsequently through the financial inclusion commission.

### **Considerations for 2018/19**

- 3.10 Government support for Council Tax Reduction will reduce in 2017/18 meaning the council is forecast to increase the subsidy to the scheme by £0.600million.
- 3.11 The four year ISFPs include cost reduction measures to the Council Tax Reduction Scheme of £0.250m in 2018/19. However, there has been a greater decrease than expected in the number of cases claiming Council Tax Reduction. As a result, the £0.250m cost reduction is expected to be met without any further changes to the scheme for 2018/19.
- 3.12 Additionally the full version of Universal Credit is being rolled out in the City over the winter of 2017/18. Universal Credit is administered nationally. Universal Credit has been running as a trial in many areas of the country for some time, including a limited scheme within Brighton and Hove since December 2015. The council has been planning for the introduction of the Universal Credit in the city, so the CTR scheme already contains rules setting out how CTR will be calculated for those receiving Universal Credit.
- 3.13 Now that the rollout of Universal Credit is accelerating both in the city and nationally, there are a number of untested areas, for example:
- how well the interface between Universal Credit and CTR will work; and
  - how the calculative changes in Universal Credit will manifest over the full caseload, including its impact on behaviour, especially around incentivising employment.
- 3.14 The council is working closely with Jobcentre Plus to encourage and maintain take up of Council Tax Reduction. This is seen as particularly important because people will no longer claim CTR at the same time as they claim Housing Benefit as was the case prior to the introduction of Universal Credit.
- 3.15 Other councils have started to look at the fundamentals of their CTR schemes for working age people, given the context of Universal Credit. In keeping with most councils, the scheme in Brighton and Hove is based on the previous Council Tax

Benefit scheme. The change to Universal Credit may create the opportunity to create a simpler Council Tax Reduction scheme in future years and this will be kept under review.

### **Review of transitional protection**

- 3.16 Transitional protection was introduced for the period of a year in April 2017. This meant that no one would pay more than £10 a week extra Council Tax due to the maximum available CTR being set at the amount for a band D property (£26.21 per week in 17/18).
- 3.17 A review of this transitional protection shows that 28 households have benefitted from this transitional protection with a total cost of approximately £4,500. Of those households, 7 were in a band G property, and 21 were in a band F.
- 3.18 The transitional protection will come to an end on 31<sup>st</sup> March 2018. Before this happens all households affected will be contacted and invited to apply for Discretionary Council Tax Reduction which would be applied from 1<sup>st</sup> April 2018 if the application is successful.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Government support for Council Tax Reduction is forecast to decrease. As such the council could consider changing the scheme to moderate the impact of this reduction. This would have the effect of reducing the support available to individuals and households through CTR.
- 4.2 The scheme can be designed so that recipients of Council Tax Reduction receive more help than at present. However, there would be a corresponding increase in cost and as such a corresponding budget cut would have to be made.
- 4.3 The continuing reduction of Council Tax Reduction caseloads means that savings requirements can be met with little or no impact on the current scheme. During this year and next, Universal Credit will be rolling out, creating uncertainty for individuals and families currently in receipt of Housing Benefit and Council Tax Reduction. It would be beneficial to have one area of stability, in the form of Council Tax Reduction, while broader changes to the welfare support system bed in.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Formal consultation on Council Tax Reduction is only required when there are proposed changes to the scheme. It is estimated the cost of full consultation to be between £15,000 and £20,000. Given that no changes have been proposed to the scheme for 2018/19, formal consultation has not been undertaken.
- 5.2 Officers maintain strong links with stakeholders in the city who are involved in working with and supporting people who are in receipt of welfare benefits. A regular six weekly meeting is held with these stakeholders which include advice agencies, the community and voluntary sector, registered social landlords, private landlords and Jobcentre Plus. Stakeholders are updated and asked to feedback on a broad range of issues including CTR policy.



## **6. CONCLUSION**

- 6.1 The CTR scheme is one element of the welfare reform programme. Funding for the scheme provided to local authorities continues to decrease; in turn the subsidy required for the scheme is expected to increase to £4.5million in 2018/19.
- 6.2 The council needs to make savings of £13.4million for 2018/19.
- 6.3 The caseload for CTR has reduced since the scheme was introduced. The rate of decrease is now expected to continue in 2018/19. The four year integrated service and finance plan set out an expectation that the rate of increase in subsidy would be mitigated by a £0.250million reduction in costs of the scheme. The rate of decrease in the caseload is now expected to meet this expectation.
- 6.4 The rollout of the full service of Universal Credit is now underway in the city. This will mean a significant number of people in receipt of CTR will move onto Universal Credit during 2018/19. Some of those individuals and households will see the level of their income vary due to this, Changing the CTR scheme at this time would mean those individuals and households could face more than one change over this time.
- 6.5 For the reasons set out in 6.3 and 6.4 it is recommended that no substantive changes to the CTR scheme are made for 2018/19.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The CTR scheme for 2018/19 is planned to remain unchanged from the 2017/18 scheme however the change in the number of claimants and the planned council tax increase in 2018/19 will affect the overall cost of scheme.
- 7.2 The forecast subsidy the council will pay towards the CTR scheme in 2018/19 will increase to £4.500m from £3.900m in 2017/18.
- 7.3 The planned cost reductions to the scheme included within the Integrated Service and Financial Plan 2018/19 of £0.250million can be met from higher than projected reductions in the number of claimants and therefore does not require amendments to the scheme.
- 7.4 The estimated cost of the CTR scheme is reflected in the council tax base. The Council Tax base report to Policy, Resources and Growth Committee on the 25 January 2018 will reflect the 2018/19 scheme.
- 7.5 The planned discretionary fund substantive budget for 2018/19 will be supplemented with £0.140million one off resources to provide total resources for the fund of £0.150million. This allocation is included within the budget update report elsewhere on this agenda and will be treated as a commitment in setting the 2018/19 budget.

Legal Implications:

- 7.6 Schedule 1A to the Local Government Finance Act 1992 regulates the making of, and revisions to, council tax reduction schemes. It requires that for each financial year, a billing authority such as the council, must consider whether to revise its scheme or replace it with another. Any revision must be made no later than 31 January in the financial year preceding that for which the revision is to have effect. This report satisfies the review obligation imposed in the schedule.

*Lawyer Consulted: Liz Woodley*

*Date: 01/11/17*

Equalities Implications:

- 7.7 An Equalities Impact Assessment for CTR exists and analysed changes made to the scheme since its inception and have been reported to Full Council when those changes have formed a part of the report.

Sustainability Implications:

- 7.8 None

Any Other Significant Implications:

- 7.9 None

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Table of Unitary Authorities Council Tax Reduction schemes

**Documents in Members' Rooms**

1. None

**Background Documents**

1. None

Unitary Authority	Maximum CTR	Cap amount based on band	Band-based restrictions details	Taper rate	Savings limit £	Minimum weekly council tax support payment £	Second adult rebate reduced or abolished	Hardship funding
Bath and North East Somerset	78%	Yes	D	20%	10000	0	Yes	Yes
Bedford	100%	Yes	E	20%	8000	0	Yes	No
Blackburn with Darwen	80%	No	No	20%	16000	0	No	Yes
Blackpool	73%	No	No	20%	16000	0	Yes	Yes
Bournemouth	80%	Yes	C	20%	16000	0.5	Yes	Yes
Bracknell Forest	80%	No	No	Income bands	16000	0	Yes	Yes
Brighton and Hove	80%	Yes	D	25%	6000	5	Yes	Yes
City of Bristol	100%	No	No	20%	16000	0	No	No
Central Bedfordshire	75%	No	No	20%	16000	0	Yes	Yes
Cheshire East	75%	Yes	B	20%	6000	2	Yes	No
Cheshire West and Chester	75%	Yes	D	20%	6000	0	Yes	Yes
Cornwall	75%	Yes	D	20%	6000	0	Yes	Yes
County Durham	100%	No	No	20%	16000	0	No	No
Darlington	80%	No	No	20%	16000	0	Yes	Yes
Derby	70%	Yes	A	20%	6000	4	Yes	Yes
East Riding of Yorkshire	75%	No	No	20%	16000	0	Yes	Yes
Halton	78%	No	No	20%	16000	0	No	Yes
Hartlepool	88%	No	No	20%	16000	0	Yes	Yes
Herefordshire, County of	80%	Yes	C	20%	6000	0	Yes	No
Isle of Wight	80%	No	No	20%	6000	0	Yes	Yes
Isles of Scilly	100%	No	No	20%	16000	0	No	No
City of Kingston upon Hull	80%	No	No	20%	16000	0	Yes	No

Leicester	80%	Yes	B	20%	6000	3.7	Yes	Yes
Luton	75%	No	No	20%	16000	0	Yes	Yes
Medway	65%	No	No	20%	16000	0	Yes	No
Middlesbrough	80%	No	No	20%	16000	0	Yes	No
Milton Keynes	80%	No	No	20%	6000	0	Yes	Yes
North East Lincolnshire	75%	Yes	B	20%	6000	2	Yes	Yes
North Lincolnshire	87%	Yes	B	20%	16000	0	No	Yes
North Somerset	76%	No	No	20%	16000	0	No	No
Northumberland	100%	No	No	20%	16000	0	No	No
Nottingham	80%	No	No	20%	16000	0.5	Yes	No
Peterborough	70%	No	No	20%	16000	0	No	No
Plymouth	80%	Yes	E	20%	6000	0	Yes	No
Poole	80%	Yes	C	20%	16000	0.5	Yes	Yes
Portsmouth	80%	Yes	C	25%	6000	2	No	Yes
Reading	80%	Yes	D	20%	6000	5	Yes	Yes
Redcar and Cleveland	83%	No	No	20%	16000	0	Yes	No
Rutland	75%	Yes	D	25%	10000	0	Yes	Yes
Shropshire	100%	No	No	20%	10000	0	Yes	No
Slough	80%	Yes	C	20%	16000	0	Yes	Yes
				Less income				
South Gloucestershire	80%	No	No	bands	6000	0	Yes	No
Southampton	75%	No	No	25%	16000	0	No	Yes
Southend-on-Sea	75%	Yes	D	20%	6000	0	Yes	Yes
Stockton-on-Tees	80%	No	No	20%	16000	0	Yes	No
Stoke-on-Trent	70%	Yes	D	20%	10000	0	Yes	Yes
Swindon	80%	Yes	D	20%	6000	0	Yes	No
Telford and Wrekin	75%	No	No	20%	6000	2.5	Yes	Yes
Thurrock	75%	No	No	20%	6000	0	Yes	No

Unitary Authority 2017/18 Council Tax Reduction Schemes.

Appendix 1 Council Tax Reduction Review

Torbay	73%	No	No	20%	6000	0	Yes	Yes
Warrington	92%	No	No	20%	16000	0	No	No
West Berkshire	70%	Yes	C	30%	6000	10	Yes	Yes
Wiltshire	80%	No	No	15%	10000	0	Yes	Yes
Windsor and Maidenhead	90%	No	No	25%	16000	0	No	Yes
Wokingham	80%	Yes	D	25%	16000	3	Yes	Yes
York	78%	No	No	20%	16000	0	Yes	No



<b>Subject:</b>	<b>Targeted Budget Management (TBM) 2017/18: Month 7</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell</b>	<b>Tel: 29-3104</b>
	<b>Email:</b>	<b>Nigel.manvell@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1 SUMMARY AND POLICY CONTEXT:**

- 1.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out an indication of forecast risks as at Month 7 (October) on the council's revenue and capital budgets for the financial year 2017/18.
- 1.2 As set out in the General Fund Revenue Budget 2017/18 report to Budget Council, £14.7m was provided for in the budget to meet identified service pressures across social care and homelessness services. This sum substantially covered identified demand led pressures. As a result, maintaining a risk provision at £1.500m, as in previous years, was considered adequate to meet potential demand risks and/or difficulties in delivering savings targets. The report highlighted that with demand led pressures funded, the focus in 2017/18 would be on strengthening budget accountability, managing demand effectively and localising risk management in services wherever possible, rather than reliance being placed on corporate mitigations or controls.
- 1.3 The forecast risk for 2017/18 as October is £1.270m on the General Fund reflecting the situation outlined above. This includes a forecast overspend of £0.190m on the council's share of the NHS managed Section 75 services.
- 1.4 Taking into account the available risk provision of £1.384m, the council's financial position therefore remains in a manageable position but elimination of the overspend will continue to be the aim as this would free up essential one-off resources to support next year's budget.
- 1.5 The report also indicates that a significant element of the substantial savings package in 2017/18 of £21.367m is on track with £17.986m either achieved or anticipated to be achieved. Savings at risk (£3.798m) are included in the overall service forecasts.

## **2 RECOMMENDATIONS:**

- 2.1 That the Committee note the forecast risk position for the General Fund, which indicates a budget pressure of £1.270m. This includes a forecast overspend of £0.190m on the council's share of the NHS managed Section 75 services.
- 2.2 That the Committee note that total recurrent and one-off risk provisions of £1.384m are available to mitigate the forecast General Fund risk if the risks cannot be completely eliminated by year-end.
- 2.3 That the Committee approve the requested carry forward of £0.109m for Regulatory Services (paragraph 6.3).
- 2.4 That the Committee note the forecast for the Housing Revenue Account (HRA), which is an underspend of £0.425m.
- 2.5 That the Committee note the forecast risk position for the Dedicated Schools Grant which is an underspend of £0.154m.
- 2.6 That the Committee note the forecast outturn position on the capital programme and approve the variations and slippage in Appendix 5 and new schemes in Appendix 6.

## **3 RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

### **Targeted Budget Management (TBM) Reporting Framework**

- 3.1 The TBM framework focuses on identifying and managing financial risks on a regular basis throughout the year. This is applied at all levels of the organisation from Budget Managers through to Policy, Resources & Growth Committee. Services monitor their TBM position on a monthly or quarterly basis depending on the size, complexity or risks apparent within a budget area. TBM therefore operates on a risk-based approach, paying particular attention to mitigation of growing cost pressures, demands or overspending through effective financial recovery planning together with more regular monitoring of high risk demand-led areas as detailed below.
- 3.2 The TBM report is normally split into 8 sections as follows:
  - i) General Fund Revenue Budget Performance
  - ii) Housing Revenue Account (HRA) Performance
  - iii) Dedicated Schools Grant (DSG) Performance
  - iv) NHS Controlled S75 Partnership Performance
  - v) Capital Investment Programme Performance
  - vi) Capital Programme Changes
  - vii) Implications for the Medium Term Financial Strategy (MTFS)
  - viii) Comments of the Director of Finance & Resources (statutory S151 officer)

### **General Fund Revenue Budget Performance (Appendix 2)**

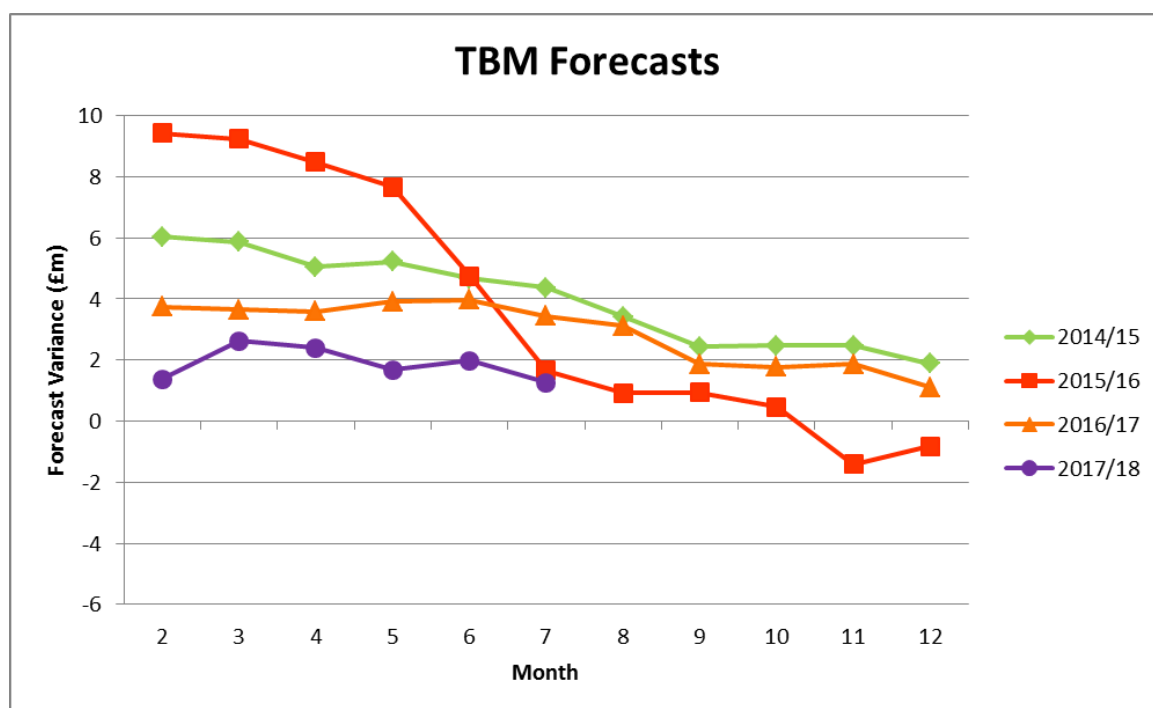
- 3.3 The table below shows the provisional outturn for Council controlled revenue budgets within the General Fund. These are budgets under the direct control and



management of the Executive Leadership Team. More detailed explanation of the variances can be found in Appendix 3.

<b>Forecast Variance Month 5 £'000</b>	<b>Directorate</b>	<b>2017/18 Budget Month 7 £'000</b>	<b>Forecast Outturn Month 7 £'000</b>	<b>Forecast Variance Month 7 £'000</b>	<b>Forecast Variance Month 7 %</b>
2,563	Families, Children & Learning	83,724	86,215	2,491	3.0%
0	Health & Adult Social Care	49,920	50,065	145	0.3%
(333)	Economy, Environment & Culture	29,339	29,019	(320)	-1.1%
(80)	Neighbourhood, Communities & Housing	15,772	15,692	(80)	-0.5%
(363)	Finance & Resources	18,390	17,818	(572)	-3.1%
38	Strategy, Governance & Law	4,983	4,983	0	0.0%
1,825	<b>Sub Total</b>	<b>202,128</b>	<b>203,792</b>	<b>1,664</b>	<b>0.8%</b>
(147)	Corporate Budgets	9,982	9,588	(394)	-3.9%
1,678	<b>Total General Fund</b>	<b>212,110</b>	<b>213,380</b>	<b>1,270</b>	<b>0.6%</b>

- 3.4 The General Fund includes general council services, corporate budgets and central support services. Corporate budgets include centrally held provisions and budgets (e.g. insurance) as well as some cross-cutting value for money savings targets. Note that General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Note also that although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools). The chart below shows the monthly forecast variances for 2017/18 and the previous three years for comparative purposes.

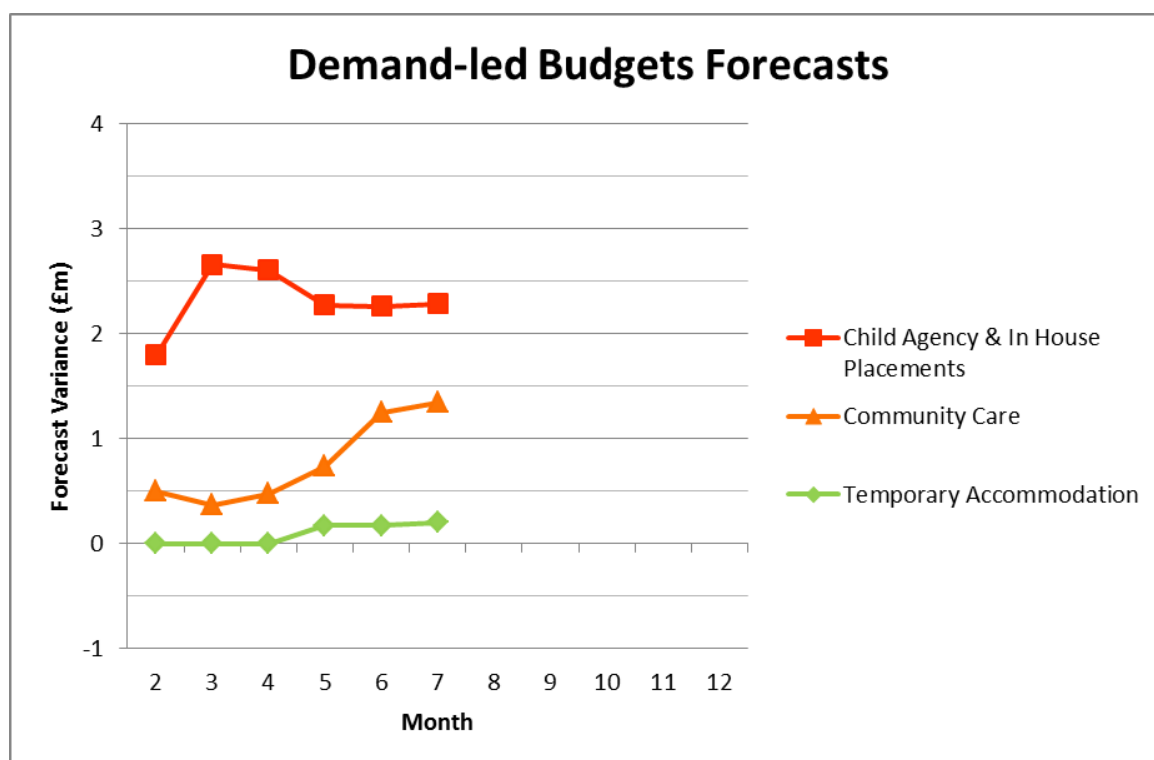


### Demand-led Budgets

- 3.5 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are budgets of corporate significance where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These can include income related budgets. These therefore undergo more frequent and detailed analysis.

Forecast Variance Month 5 £'000	Demand-led Budget	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
2,273	Child Agency & In House Placements	20,886	23,173	2,287	10.9%
735	Community Care	55,209	56,551	1,342	2.4%
170	Temporary Accommodation	2647	2847	200	7.6%
3,178	Total Demand-led Budget	78,742	82,571	3,829	4.9%

The chart below shows the monthly forecast variances on the demand-led budgets for 2017/18.



### **Summary of the position at Month 7**

Clearly, the main pressures identified at Month 7 are across the Families, Children & Learning directorate but pressures in other directorates are being contained as summarised below:

- 3.6 Families, Children & Learning:** The initial forecast budget risk across Families, Children and Learning was £3.024m primarily resulting from increased demand pressures on services for Children in Care, particularly adolescents with very complex needs and adults with learning disabilities. Some of the social work cost pressures have continued through from last year. Subsequently the directorate has put together a financial recovery plan to address the financial risks but there still remain significant financial pressures on services for Children in Care and adults with learning disabilities. In addition, there are a number of significant financial risks across supported employment, respite services for children with disabilities, legal fees, supporting families with no recourse to public funds, and day services for adults with learning disabilities. These are being closely monitored but have had an adverse impact on the Families, Children & Learning Directorate 2017/18 budget position.

The current projected position has identified potential cost pressures of £0.868m on services for adults with learning disabilities, £0.324m on legal fees and £2.305m on placement budgets. Together with other underspending budgets of £0.400m, explaining the gross forecast risk of £3.097m as at Month 7. After taking into account the Financial recovery measures of £0.606m the net position currently shows an overspend of £2.491m. Further actions are taking place to reduce this level of projected overspend.

**3.7 Adults Services:** The service is facing significant challenges in mitigating the risks arising from increasing demands from client needs, supporting more people to be discharged from hospital when they are ready and maintaining the provider market. This is alongside delivering a significant budget savings programme and developing integration plans through the Better Care Fund.

- There is currently a forecast overspend of £0.145m at Month 7 after the implementation of a number of initiatives to improve the financial stability of the directorate in previous years, which has helped to contain the forecast risk. The recovery measures focus on attempting to manage demands on and costs of community care placements across Assessment Services and making the most efficient use of available funds.
- There is focus nationally on improving rates of hospital discharge in preparation for winter that leads to increasing financial pressure. This pressure is expected to increase over the winter months. There are also continued potential forecast risks concerning increased complexity of need, pressures on the in house older people resource centres and Deprivation of Liberty Safeguards (DoLS) cases. Service pressure funding and improved Better Care funding have partly mitigated the risk for this financial year.
- The forecast includes the fee uplifts agreed at Health & Wellbeing Board on 31st January 2017 across care in the community and residential care. In order to manage the local market and address the significant under-supply of providers in the city who will accept publicly funded residents, fee increases were essential.
- At this stage, £0.700m of the total approved budget savings of £4.873m are being forecast as unachievable in this financial year.
- Service pressure funding of over £3m, including the Adult Social Care precept, has been applied in 2017/18 and used to fund budget pressures resulting from the increased demands and complexity, Deprivation of Liberty Safeguards assessments, the national living wage and fee rates.

The funding of all care packages is scrutinised for Value for Money, ensuring that eligible needs are met in the most cost-effective manner. This forms a key part of the savings implementation plan. Adult Services are also using benchmarking information to support the driving down of unit costs but are faced with increased complexity and demand (demographic) growth which is also a national picture. Through regional and other social care networks the service has been looking at best practice in delivering cost effective services in order to influence future direction - this includes demand management strategies and identifying opportunities through Housing provision.

**3.8 Housing Services and Temporary Accommodation:** Temporary Accommodation (TA) overspent by £1.062m in 2016/17. This was driven by a combination of external factors including a large decant programme, a shortage of alternative contracted accommodation and high replacement housing costs. In 2017/18 the temporary accommodation budget has been supported by additional

funding to address the budget pressures. The service has also been given substantial budget savings to deliver.

The latest forecast position for 2017/18, if no action is taken, is that Temporary Accommodation will overspend by £0.200m (Month 5 £0.170m overspend). The main reason for the overspend is higher than budgeted repairs and voids costs. This is a result of a greater volume of move-ons into permanent housing which creates more voids and higher than budgeted associated costs. The forecast spend on spot purchase accommodation has also slightly increased. This is expected to be mitigated by a) new build properties being available in January, b) voids being managed differently with a focus on performance to reduce void times and c) mainstream early intervention and sustainment to minimise placements into TA. If these measures do not mitigate the overspend, there is a contingency sum built into the Flexible Homelessness Support Grant that can be used as a last resort. So the overall forecast for temporary accommodation is to break-even.

Following the introduction of the new housing allocation policy both the costs and volumes of spot purchasing of emergency accommodation have already significantly reduced. The forecast assumes that the £1.300m Trailblazer Project should deliver initial reductions in accommodation volumes by the final quarter of 2017/18 and then substantial reduction in households in temporary accommodation by the end of 2018/19. There are risks associated with this in terms of the roll out of Universal Credit and the impact this may have on homelessness in the city together with a high cost housing market, and the likely introduction of the Homeless Reduction Act from April 2018 which places more duties upon the local authority. However, this will be closely monitored.

Housing Benefit for households in temporary accommodation changed this year so that the £60 per week management element has been replaced by the Flexible Homelessness Support Grant. The forecast number of households in temporary accommodation requires £4.500m of this grant to enable the service to break-even. An additional allocation of £0.200m is required to cover unmet savings in the short term in order to allow sufficient lead-in time for the delivery of the Trailblazer project and the transformation of the service. This forecast is subject to the following risks:

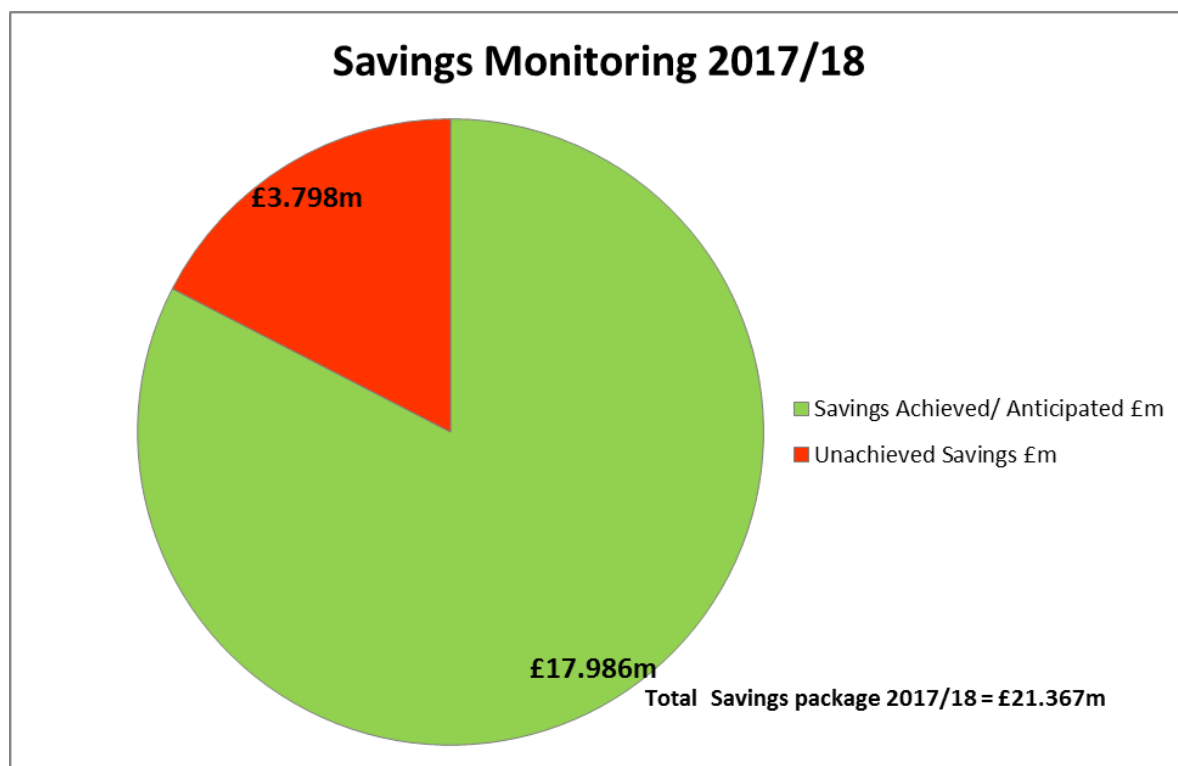
- A budget pressure may arise as a result of the transfer of budgets to Housing which may prove to be insufficient for the work carried out to house Adults and Children's Services clients;
- The roll out of Universal Credit from Autumn 2017 (reduction in benefit recovery from clients);
- External pressures outside of the service control (higher than forecast private sector rent increases, greater numbers of homeless acceptances).

### **Monitoring Savings**

- 3.9 The savings package approved by full Council to support the revenue budget position in 2017/18 was £21.367m following directly on from a similar-sized savings package in 2016/17. This is very significant and follows 6 years of

substantial packages totalling nearly £119m that have been essential to enable cost and demand increases to be funded.

- 3.10 Appendix 3 provides a summary of savings in each directorate and indicates in total what is anticipated/achieved or is at risk. Appendix 4 summarises the position across all directorates and presents the entire savings programme. The graph below provides a summary of the position as at Month 7. This shows that delivery is broadly on track with £3.798m (18%) currently at risk. Mitigation of these risks is included in the development of services' financial recovery actions.



*Note: Savings Achieved/Anticipated includes an overachievement of savings of £0.417m*

### **Housing Revenue Account Performance (Appendix 3)**

- 3.11 The Housing Revenue Account is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents. The forecast outturn is currently an underspend of £0.425m and more details are provided in Appendix 3.

### **Dedicated Schools Grant Performance (Appendix 3)**

- 3.12 The Dedicated Schools Grant (DSG) is a ring-fenced grant which can only be used to fund expenditure on the schools budget. The schools budget includes elements for a range of services provided on an authority-wide basis including early years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The forecast outturn is an underspend of £0.154m and more details are provided in Appendix 3. Under the Schools Finance Regulations any underspend must be carried forward to support the schools budget in future years.

### NHS Managed S75 Partnership Performance (Appendix 3)

- 3.13 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and include health and social care services for Adult Mental Health and Memory and Cognitive Support Services.
- 3.14 This partnership is subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. Risk-sharing arrangements result in financial implications for the council where a partnership is underspent or overspent at year-end and hence the performance of the partnership is included within the forecast outturn for the Health & Adult Social Care directorate. An overspend of £0.190m is currently forecast and more details are provided in Appendix 3.

### Capital Programme Performance and Changes

- 3.15 The table below provides a summary of capital programme performance by Directorate and shows that there is a forecast underspend of £2.790m at this stage. More details are provided in Appendix 5.

2017/18 Forecast Variance £'000	Capital Budgets	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Families, Children & Learning	8,744	8,744	0	0.0%
0	Health & Adult Social Care	268	268	0	0.0%
25	Economy, Environment & Culture	44,805	44,805	0	0.0%
0	Neighbourhood, Comms & Housing	2,633	2,633	0	0.0%
(1,580)	Housing Revenue Account	42,235	39,445	(2,790)	-6.6%
0	Finance & Resources	4,019	4,019	0	0.0%
0	Strategy, Governance & Law	6	6	0	0.0%
0	Corporate Services	0	0	0	0.0%
<b>(1,555)</b>	<b>Total Capital</b>	<b>102,710</b>	<b>99,920</b>	<b>(2,790)</b>	<b>-2.7%</b>

(Note: Summary may include minor rounding differences compared with Appendix 5)

- 3.16 Appendix 5 shows the changes to the budget which are included in the budget figures above. Policy, Resources & Growth Committee's approval for these changes is required under the council's Financial Regulations. The following table shows the movement in the capital budget since approval at Month 5 Policy, Resources & Growth Committee.

<b>Summary of Capital Budget Movement</b>	<b>2017/18 Budget £'000</b>
Budget approved at TBM month 5	110,993
Reported at other Policy, Resources & Growth Committees for inclusion into 2017/18.	2,000
New schemes to be approved in this report	66
Variations to Budget (to be approved – see Appendix 5)	871
Reprofiling of Budget (to be approved – see Appendix 5)	(11,220)
Slippage	0
<b>Total Capital</b>	<b>102,710</b>

### **Implications for the Medium Term Financial Strategy (MTFS)**

- 3.17 The council's MTFS sets out resource assumptions and projections over a longer term. It is periodically updated including a major annual update which is included in the annual revenue budget report to Policy, Resources & Growth Committee and Full Council. This section highlights any potential implications for the current MTFS arising from in-year TBM monitoring above and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.

### **Capital Receipts Performance**

- 3.18 Capital receipts are used to support the capital programme. Any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds and projects such as the Strategic Investment Fund, Asset Management Fund and Digital First. The planned profile of capital receipts for 2017/18, as at Month 7, is £32.630m including the receipt associated with the disposal of Kings House which is ring-fenced to support Workstyles and supporting the implementation of Integrated Service & Financial Plans. To date there have been receipts of £27.907m in relation to the disposal of Kings House, the Circus Street redevelopment plus some minor lease extensions at the Marina and improvement grant repayments. The capital receipts performance will be monitored over the coming months against capital commitments.
- 3.19 The forecast for the 'right to buy sales' in 2017/18 (after allowable costs, repayment of housing debt and forecast receipt to central government) is that an estimated 50 homes will be sold with a maximum useable receipt of £0.500m to fund the corporate capital programme and net retained receipt of £4.610m available to re-invest in replacement homes. To date 27 homes have been sold in 2017/18.

### **Collection Fund Performance**

- 3.20 The collection fund is a separate account for transactions in relation to council tax and business rates. Any deficit or surplus forecast on the collection fund relating to council tax is distributed between the council, Sussex Police and Crime Commissioner and East Sussex Fire Authority, whereas any forecast deficit or



surplus relating to business rates is shared between the council, East Sussex Fire Authority and the government.

- 3.21 The council tax collection fund forecast is unchanged from TBM month 5 with a year-end surplus of (£2.315m) which incorporates a brought forward surplus of (£1.029m). The in-year forecast breaks down as a reduction of (£1.500m) in the amount set aside for losses in resources from changes to the contribution to bad debt provision and previous year's liability whereby the collection rate on the tax base is being amended to 99% from 98.33%. Other changes are a greater than forecast reduction in Council Tax Reduction awards (£0.300m), higher than forecast increase in Severely Mentally Impaired (SMI) exemptions of £0.425m and other exemptions £0.100m. The council's share of the overall forecast council tax surplus is (£1.985m).
- 3.22 The business rates collection fund is forecast to be in deficit by £3.951m at year-end and the council's share of this is £1.936m, however the council will only fund £0.696m as there are government adjustments due for the tariff payment and section 31 (S31) grants that will fund the remaining £1.240m. It is estimated that the council will ultimately receive an adjustment to the tariff payment of £0.394m and that S31 grants for the spring budget changes and other S31 grant funded areas will contribute a further £0.846m of grant funding. The unfunded deficit for the council of £0.696m has arisen from a combination of factors including the adjustment to the tariff payment not fully equalising out the loss in business rates income from revaluation changes and backdated awards of empty relief.
- 3.23 The council's share of the combined collection funds is a surplus of (£1.289m) and this is included in the budget resources for 2018/19.

#### **4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The provisional outturn position on the General Fund is an overspend of £1.270m. This includes a forecast overspend of £0.190m on the council's share of the NHS managed Section 75 services. Risk provisions of £1.500m are available to substantially mitigate the position. Any overspend at the year-end would need to be funded from general reserves which would then need to be replenished to ensure that the working balance did not remain below £9.000m. Any underspend would release one off resources that can be used to aid budget planning for 2018/19.
- 4.2 The one-off funding of in-year pressures on Communal Bin rounds of £0.050m and provision for care leavers council tax discount of £0.066m from the available General Fund risk provision (agreed at the 12 October and 4 May meetings of this committee respectively) will reduce the risk provision from £1.500m to £1.384m. Therefore, if the council achieves a General Fund overspend of £1.384m or lower by year-end it will achieve break-even or better. Funding these two items in this way effectively treats these pressures as corporate pressures rather than leaving the relevant services to manage the pressures.

#### **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 No specific consultation has been undertaken in relation to this report.

## **6 CONCLUSION AND COMMENTS OF THE DIRECTOR OF FINANCE & RESOURCES (\$151 OFFICER)**

- 6.1 Although the forecast position continues to be an improvement on last year, there are still concerning trends on expenditure for Children in Care. Although there is some evidence of national pressures on Children's Social Care, the growth in costs locally continues to be higher than all but the most deprived council areas and is above the significant service pressure funding provided for in the budget. To ensure effective management of this situation, the local context needs to be understood more clearly and the position in relation to escalating provider fees and charges also needs to be kept under review.
- 6.2 While the forecast risk at Month 7 remains manageable in the context of available risk provisions it is important that these early signs of cost pressures are addressed and mitigated as far as possible either directly or through alternative recovery action.
- 6.3 Turning to another matter, in accordance with the detailed business case, Regulatory Services within the Neighbourhood, Communities & Housing directorate have identified an in-year cost savings of £0.109m that can be achieved and will need to be carried forward to part-fund the first year of operations of the Field Officer role, including some set up costs, during which the potential for cost recovery and income generation will be reviewed to inform the longer term budget requirement. This has no net impact on the overall TBM position and requires approval by the committee in accordance with Financial Regulations.

## **7 FINANCIAL AND OTHER IMPLICATIONS**

### Financial Implications:

- 7.1 The financial implications are covered in the main body of the report. Financial performance is kept under review on a monthly basis by the Cross-Party Budget Review Group and the management and treatment of forecast risks is considered by the Audit & Standards Committee.

Finance Officer Consulted: Jeff Coates

Date: 20/11/2017

### Legal Implications:

- 7.2 Decisions taken in relation to the budget must enable the council to observe its legal duty to achieve best value by securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The council must also comply with its general fiduciary duties to its Council Tax payers by acting with financial prudence, and bear in mind the reserve powers of the Secretary of State under the Local Government Act 1999 to limit Council Tax & precepts.

Lawyer Consulted: Elizabeth Culbert

Date: 22/11/2017

### Equalities Implications:

- 7.3 There are no direct equalities implications arising from this report.

#### Sustainability Implications:

- 7.4 Although there are no direct sustainability implications arising from this report, the council's financial position is an important aspect of its ability to meet Corporate Plan and Medium Term Financial Strategy priorities. The achievement of a break-even position or better is therefore important in the context of ensuring that there are no adverse impacts on future financial years from performance in 2017/18.

#### Risk and Opportunity Management Implications:

- 7.5 The Council's revenue budget and Medium Term Financial Strategy contain risk provisions to accommodate emergency spending, even out cash flow movements and/or meet exceptional items. The council maintains a recommended minimum working balance of £9.000m to mitigate these risks. The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Revenue Budget RAG Rating
2. Revenue Budget Movement
3. Revenue Budget Performance
4. Summary of 2017/18 Savings Progress
5. Capital Programme Performance
6. New Capital Schemes

#### **Documents in Members' Rooms:**

None.

#### **Background Documents**

None.



## Appendix 1 – Revenue Budget RAG Ratings

RAG Rating Key:	RAG for Directorates <sup>(1)</sup>	RAG for Service Areas
<b>Red</b>	Forecast overspend of 5% or more or £0.250m whichever is lower	Forecast overspend of 5% or more or £0.100m whichever is lower
<b>Amber</b>	Forecast overspend of less than 5% of budget or £0.250m, whichever is lower.	Forecast overspend of less than 5% of budget or £0.100m, whichever is lower.
<b>Green</b>	Breakeven or forecast underspend	Breakeven or forecast underspend

Service	2017/18 Budget Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	RAG Rating Month 7
Director of Families, Children & Learning	162	(98)	-60.5%	Green
Health, SEN & Disability Services	36,195	912	2.5%	Red
Education & Skills	7,054	63	0.9%	Amber
Children's Safeguarding & Care	38,804	1,689	4.4%	Red
Quality Assurance & Performance	1,509	(75)	-5.0%	Green
Total Families, Children & Learning	83,724	2,491	3.0%	Red
Adult Social Care	32,408	7	0.0%	Amber
Integrated Commissioning	3,645	(52)	-1.4%	Green
S75 Sussex Partnership Foundation Trust (SPFT)	12,757	190	1.5%	Red
Public Health	1,110	0	0.0%	Green
Total Health & Adult Social Care	49,920	145	0.3%	Amber
Transport	(7,050)	(749)	-10.6%	Green
City Environmental Management	27,979	182	0.7%	Red
City Development & Regeneration	2,807	156	5.6%	Red
Culture	4,422	(91)	-2.1%	Green
Property	1,181	182	15.4%	Red
Total Economy, Environment & Culture	29,339	(320)	-1.1%	Green
Housing General Fund	5,345	0	0.0%	Green
Libraries	4,900	0	0.0%	Green
Communities, Equalities & Third Sector	2,721	0	0.0%	Green
Regulatory Services	1,516	(80)	-5.3%	Green
Community Safety	1,290	0	0.0%	Green
Total Neighbourhood, Communities & Housing	15,772	(80)	-0.5%	Green
Finance	9,888	(82)	-0.8%	Green
Housing Benefit Subsidy	(835)	(514)	-61.6%	Green
HR & Organisational Development	2,908	(76)	-2.6%	Green
ICT	6,429	100	1.6%	Red
Total Finance & Resources	18,390	(572)	-3.1%	Green
Corporate Policy	693	(10)	-1.4%	Green
Legal Services	1,313	(59)	-4.5%	Green
Democratic & Civic Office Services	1,769	(15)	-0.8%	Green
Life Events	(201)	111	55.2%	Red
Performance, Improvement & Programmes	697	(15)	-2.2%	Green
Communications	712	(12)	-1.7%	Green
Total Strategy, Governance & Law	4,983	0	0.0%	Green
Sub Total	202,128	1,664	0.8%	

## Appendix 1 – Revenue Budget RAG Ratings

Service	2017/18 Budget Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	RAG Rating Month 7
Bulk Insurance Premia	0	0	0.0%	Green
Concessionary Fares	10,947	(140)	-1.3%	Green
Capital Financing Costs	6,700	(146)	-2.2%	Green
Levies & Precepts	205	0	0.0%	Green
Unallocated Contingency & Risk Provisions	2,603	0	0.0%	Green
Unringfenced Grants	(15,648)	(20)	-0.1%	Green
Other Corporate Items	5,175	(88)	-1.7%	Green
Total Corporately-held Budgets	9,982	(394)	-3.9%	Green
Total General Fund	212,110	1,270	0.6%	

Individual Schools Budget (ISB)	124,676	0	0.0%	Green
Early Years Block (inc delegated to Schools)	12,457	(430)	-3.5%	Green
High Needs Block (exc delegated to Schools)	19,367	313	1.6%	Red
Exceptions and Growth Fund	3,849	(37)	-1.0%	Green
Grant Income	(159,764)	0	0.0%	Green
Total Dedicated Schools Grant (DSG)	585	(154)	-26.3%	Green

Capital Financing	32,312	(50)	-0.2%	Green
Head of Housing HRA	3,541	0	0.0%	Green
Head of City Development & Regeneration	304	(35)	-11.5%	Green
Housing Strategy	751	0	0.0%	Green
Income Involvement Improvement	(46,451)	(340)	-0.7%	Green
Property & Investment	7,615	0	0.0%	Green
Tenancy Services	1,928	0	0.0%	Green
Total Housing Revenue Account	0	(425)	0.0%	Green

*(1) In the above tables the Dedicated Schools Grant and Housing Revenue Account are treated as Directorates for the purposes of RAG rating.*

## Appendix 2 – Revenue Budget Movement Since Month 5

Service	Forecast Variance Month 5 £'000	Forecast Variance Month 7 £'000	Movement £'000	Explanation of Main Movements
Director of Families, Children & Learning	0	(98)	(98)	Troubled Families initiative
Health, SEN & Disability Services	871	1,012	141	Learning Disability Adults
Education & Skills	116	104	(12)	
Children's Safeguarding & Care	2,277	2,154	(123)	Social Work Teams reduced agency costs
Quality Assurance & Performance	(45)	(75)	(30)	
Further Financial Recovery Measures	(656)	(606)	50	Mainly due to targets re future high cost reviews and Foster Care not being achieved.
<b>Total Families, Children &amp; Learning</b>	<b>2,563</b>	<b>2,491</b>	<b>(72)</b>	
Adult Social Care	2	127	125	Due to new placements as a result of hospital discharges
Integrated Commissioning	(90)	(52)	38	
S75 Sussex Partnership Foundation Trust (SPFT)	88	190	102	Increasing numbers of clients in dementia and Mental Health placements
Public Health	0	0	(0)	
Further Financial Recovery Measures	0	(120)	(120)	As detailed below
<b>Total Health &amp; Adult Social Care</b>	<b>0</b>	<b>145</b>	<b>145</b>	
Transport	(718)	(749)	(31)	
City Environmental Management	59	182	123	Movement predominantly due to an increase in recruitment, ongoing overtime pressures and sickness resulting in higher agency spend within the Cityclean service.
City Development & Regeneration	169	156	(13)	
Culture	(25)	(91)	(66)	Improved income performance
Property	182	182	0	
Further Financial Recovery Measures	0	0	0	
<b>Total Economy, Environment &amp; Culture</b>	<b>(333)</b>	<b>(320)</b>	<b>13</b>	

## Appendix 2 – Revenue Budget Movement Since Month 5

Service	Forecast Variance Month 5 £'000	Forecast Variance Month 7 £'000	Movement £'000	Explanation of Main Movements
Housing General Fund	170	200	30	
Libraries	0	0	0	
Communities, Equalities & Third Sector	0	0	0	
Regulatory Services	(80)	(80)	0	
Community Safety	0	0	0	
Further Financial Recovery Measures	(170)	(200)	(30)	
<b>Total Neighbourhood, Communities &amp; Housing</b>	<b>(80)</b>	<b>(80)</b>	<b>0</b>	
Finance	61	(82)	(143)	£0.126m Orbis wide cross charging pressure now correctly transferred across to Modernisation Funding. Extra vacancy management savings
Housing Benefit Subsidy	(514)	(514)	0	
HR & Organisational Development	(10)	(76)	(66)	Expected overachievement on internal cost recovery
ICT	100	100	0	
Further Financial Recovery Measures	0	0	0	
<b>Total Finance &amp; Resources</b>	<b>(363)</b>	<b>(572)</b>	<b>(209)</b>	
Corporate Policy	(10)	(10)	0	
Legal Services	(25)	(59)	(34)	Anticipated income overachievement
Democratic & Civic Office Services	(3)	(15)	(12)	
Life Events	124	111	(13)	Improved income forecast
Performance, Improvement & Programmes	(10)	(15)	(5)	
Communications	(38)	(12)	26	Reduction in expected vacancy savings and increased supplies and services costs.
Further Financial Recovery Measures	0	0	0	
<b>Total Strategy, Governance &amp; Law</b>	<b>38</b>	<b>0</b>	<b>(38)</b>	



## Appendix 2 – Revenue Budget Movement Since Month 5

Service	Forecast Variance Month 5 £'000	Forecast Variance Month 7 £'000	Movement £'000	Explanation of Main Movements
Bulk Insurance Premia	0	0	0	
Concessionary Fares	0	(140)	(140)	Forecast trip numbers and reimbursement lower than previously anticipated.
Capital Financing Costs	(69)	(146)	(77)	A combination of increases in cash balances and increases in short term investment rates as a result of an increase in Bank Base Rate
Levies & Precepts	0	0	0	
Unallocated Contingency & Risk Provisions	0	0	0	
Unringfenced Grants	(20)	(20)	0	
Other Corporate Items	(58)	(88)	(30)	Out of date cheques written back
Further Financial Recovery Measures	0	0	0	
<b>Total Corporately-held Budgets</b>	<b>(147)</b>	<b>(394)</b>	<b>(247)</b>	
<b>Total General Fund</b>	<b>1,678</b>	<b>1,270</b>	<b>(408)</b>	



## Families, Children &amp; Learning

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Director of Families, Children & Learning	162	64	(98)	-60.5%	0	0	0
871	Health, SEN & Disability Services	36,195	37,207	1,012	2.8%	1,731	1,006	769
116	Education & Skills	7,054	7,158	104	1.5%	1,710	1,903	0
2,277	Children's Safeguarding & Care	38,804	40,958	2,154	5.6%	2,039	680	1,511
(45)	Quality Assurance & Performance	1,509	1,434	(75)	-5.0%	0	0	0
3,219	Total Families, Children & Learning	83,724	86,821	3,097	3.7%	5,480	3,589	2,280
(656)	Further Financial Recovery Measures (see below)	-	(606)	(606)	-	-	-	-
2,563	Residual Risk After Financial Recovery Measures	83,724	86,215	2,491	3.0%	5,480	3,589	2,280

## Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(606)	Further Financial Recovery Measures projection	The directorate has developed an over-arching Financial Recovery Plan to address the pressures detailed below across the various service headings. A number of these measures have already been incorporated in the projections, below but some have yet to fully materialise. The Financial Recovery Plan included the following measures:
		<ul style="list-style-type: none"> <li>Extending the Move-on project in Adult learning Disability Services and review the maintenance budget.</li> </ul>
		<ul style="list-style-type: none"> <li>Targeted reviews of existing Adult Learning Disability provision.</li> </ul>

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
		<ul style="list-style-type: none"> <li>Increasing the number of in-house foster carers.</li> </ul>
		<ul style="list-style-type: none"> <li>Review of children's residential placements.</li> </ul>
		<ul style="list-style-type: none"> <li>Reducing the number of agency social workers.</li> </ul>
		<ul style="list-style-type: none"> <li>Reviewing parent &amp; baby placements.</li> </ul>
		<ul style="list-style-type: none"> <li>Reviewing the use of secure placements.</li> </ul>
		<ul style="list-style-type: none"> <li>Brighton and Hove Inclusion Support Service – recovery of projected overspend.</li> </ul>
Director of Families, Children & Learning		
(98)	Director	Mainly due to greater achievement of payment by results income for the Troubled Families programme than originally anticipated in the budget.
Health, SEN & Disability Services		
246	In-house residential and respite services	Increasing use of overtime and agency staff providing residential and respite care for disabled children with complex needs. These services are contributing to the reduced spending on Disability Agency Placements.
668	Demand Led - Learning Disability Adults - Community Care	There has been an increase in the level of clients presenting with greater complexity of need in recent months. This has resulted in an increase in the average unit costs for Learning Disability Care packages. The overspend predominantly relates to Supported Accommodation and Day Services which have shown a significant increase in activity since April 2015.
148	Learning Disability Adults - In house day centre	Unachieved saving of £0.225m from previous years, offset by underspends elsewhere in this service.
(50)	Other	
Education & Skills		

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(76)	Early Years Youth & Family Support	This is comprised of council nurseries, children's centres, youth provision and the integrated team for families. There is an overspend on the council nurseries budgets caused by pressures as a result of the cost of maternity cover and staff sickness, apprentices not yet working in ratio, costs of agency staff to maintain statutory ratios, protected pay for staff who changed grades during the restructure, and a reduction in numbers attending in some nurseries. However there are significant underspends in the budgets for children's centres and the integrated team for families as a result of vacancies. The budget for youth service is forecast to be on target.
43	Home To School Transport	The overspend is due to additional recoupment travel costs and increased costs in 16-19 travel.
153	Supported Employment	Due to underachievement of income targets.
(16)	Other	
<b>Children's Safeguarding &amp; Care</b>		
1,489	Demand-Led - Residential Agency Placements	The projected number of residential placements (37.78 FTE) is broken down as 34.19 FTE social care residential placements (children's homes), 3.59 FTE schools placements and 0.00 FTE family assessment placements. The budget allowed for 25.60 FTE social care residential care placements, 3.50 FTE schools placements and 0.30 FTE family assessment placements. The average unit cost of these placements is lower than the budgeted level for both residential and boarding school placements. However, the number of children placed is 8.38 FTE above the budgeted level resulting in the overspend of £1.489m.
819	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2016/17 there were 132.14 FTE (compared with 158.06 FTE for 2015/16). The current projected number of placements in 2017/18 is 120.60 FTE, a reduction of 8.7%. The budget for IFA placements included significant levels of savings and was set at 101.00 FTE. The numbers being higher than the budget by 19.60 FTE results in a projected overspend of £0.819m.
(147)	Demand-Led - Secure Accommodation	It is estimated that during 2017/18 there will be 1.10 FTE secure (welfare) placements and 0.49 FTE secure (justice) placements. The budget allowed for 1.45 FTE welfare and 1.15 FTE justice placements during the year. There are currently no children in a secure (welfare) placement and none in a secure (criminal) placement resulting in a projected underspend of £0.147m.

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
853	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements is projected to be 34.26 FTE and this is 5.26 FTE above the budgeted level. However, the average unit cost of these placements has increased considerably recently and is now £262.66 per week higher than the budget and this results in an overspend of £0.853m.
(825)	Demand-Led - In-House Fostering	As at the 31st October 2017 there were 147 children placed with 'in-house' foster carers and 151.61 FTE for the year. The budget, based on an increasing trend over the last few years and the drive to increase recruitment of in-house carers, was set at 180.00 FTE placements. This has resulted in the current projected underspend of £0.825m. If the ongoing work to increase the number of in-house foster carers was successful, this should result in a net reduction in costs.
137	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allows for 282.00 FTE placements of these types. It is currently anticipated that there will be 305.92 FTE children in these placements during 2017/18 and this results in the overspend of £0.137m.
(177)	Demand-Led - Care Leavers	The projected number of care leaver placements in 2017/18 is 100.73 FTE. The budget allows for 93.90 FTE placements. The increase in numbers of unaccompanied asylum seeking children in recent years has resulted in a rise in the number of ex-asylum seeking care leavers. This has now passed the threshold to be eligible for the grant and it is anticipated that £0.121m grant funding will be received in 2017/18. This together with lower than anticipated unit costs has resulted in the underspend of £0.177m.
156	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Grant	The numbers of unaccompanied asylum seeking children has increased considerably in the last 12 months. The costs of looking after these children is funded by a grant from the home office, however a number of asylum seekers have now left care (see above) and there has been an increase in other, non accommodation costs resulting in the overspend of £0.156m.

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
(100)	Social Work teams	<p>Use of agency social workers continued into 2017/18 but at a significantly lower level than 2016/17. Spend to date is £0.405m. The Social Work agency budget is £0.136m and was reduced by £0.092m as one-off funding in 2016/17 is not available in 2017/18. Other than within the Social Work admin team, at Month 7, there are no of Agency workers employed and it is anticipated that the current status will be maintained to year end resulting in a full year spend of £0.415m so a projected overspend against the agency budget of £0.279m. The underspend currently projected against permanent staffing budgets is £0.414m and non staff costs are currently estimated to be overspent by £0.035m. It should be noted that a contributory factor to the overall underspend in social work cost is the recent notification as to the full level of Teaching Practice income (£0.065m) and (£0.040m) Trailblazer funding and the transfer of Care Leaver staff costs to the Unaccompanied Asylum Seeking Children (UASC) budget. Additional underspend is registered in the sum of £0.004m against the Emergency Duty Service contract.</p>

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
324	Legal Fees	<p>There has been a significant increase in legal costs over the last couple of months and if this level of expenditure continues throughout 2017/18 this will result in an overspend in the region of £0.324m. Predominantly the overspend is attributable to the high costs of court fees and counsel fees and the following measures are to be initiated with the aim of better controlling spend against these areas:</p> <ul style="list-style-type: none"> <li>• Review of all budget codes to identify and areas for savings in short and long term and establish oversight of large budget commitments and monitoring;</li> <li>• Establish policy of approval levels for expenditure;</li> <li>• Increasing AP's hrs to provide more in house advocacy capacity;</li> <li>• Streamlining work processes with expectation that lawyers undertake own advocacy on minimum of 10 hearings each per year;</li> <li>• Review of level of Counsel instructed when out sourcing required;</li> <li>• Case supervision of lawyers prior to FH to ensure that evidence is scheduled on time and level of evidence required for care plan is met;</li> <li>• Training for Pod Managers re evidential threshold and filing process to support SWs in meeting evidential and court timescales;</li> <li>• Expert reports – Head of Service to agree all expert reports commissioned;</li> <li>• Legal services to push back other party request for expert assessments;</li> <li>• Any expert assessment requested that is not supported as evidentially required by legal services to be raised with AD for decision.</li> </ul> <p>It should be noted that spend in 2017/18 is relatively consistent with levels experienced in 2016/17 equating roughly to 100 cases with an average of 5 court hearings per case.</p>
(70)	Adoption Payments	Increase income received through inter agency adoptions
(305)	Other	Includes the youth offending and foster (£0.125m) and adoption teams (£0.070m).
Quality Assurance & Performance		
(75)	Independent Reviewing Officer Team	Early achievement of 2018/19 budget savings and staff turnover.



## Health &amp; Adult Social Care (HASC)

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
2	Adult Social Care	32,408	32,535	127	0.4%	2,285	1,585	700
(90)	Integrated Commissioning	3,645	3,593	(52)	-1.4%	147	147	0
88	S75 Sussex Partnership Foundation Trust (SPFT)	12,757	12,947	190	1.5%	293	293	0
0	Public Health	1,110	1,110	0	0.0%	2,148	2,148	0
0	Total Health & Adult Social Care	49,920	50,185	265	0.5%	4,873	4,173	700
0	Further Financial Recovery Measures (see below)	-	(120)	(120)	-	-	-	-
0	Residual Risk After Financial Recovery Measures	49,920	50,065	145	0.3%	4,873	4,173	700

## Explanation of Key Variances (Note: FTE/WTE = Full/Whole Time Equivalent)

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(120)	Further Financial Recovery Measures projection	The directorate has developed an over-arching Financial Recovery Plan to address the pressures detailed below across the various service headings. The Financial Recovery Plan includes the following measures:
		<ul style="list-style-type: none"> <li>Expansion of the Home First service and approach to reduce placement costs over the remainder of the year</li> </ul>
Adult Social Care		
(25)	Demand-Led Community Care - No Recourse to Public Funds	The average unit cost is slightly lower than the budgeted unit cost and the number of clients being supported is less than budgeted resulting in the underspend of £0.025m.

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
410	Demand-Led Community Care - Physical & Sensory Support	There are increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. This additional financial pressure is being partly met by the Improved Better Care fund for 2017/18.
100	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and this is in line with the expected demand. The average unit cost is higher than the budgeted unit cost resulting in the overspend of £0.100m.
158	In house residential provision - Older people	This is due to increased agency spend within the in house residential units
67	Hostel Accommodation	There has been a delay in the transfer of a Hostel to a new building which has resulted in pressures on rent costs and Housing Benefit income.
(418)	Assessment teams	This is due to a number of vacancies across the Assessment teams.
(193)	In house home care provision	The in house home care service is showing an underspend due to temporary vacancies.
Integrated Commissioning		
(52)	Commissioning Support Team	Due to temporary vacancies within the Commissioning teams
S75 Sussex Partnership Foundation Trust (SPFT)		
222	Demand-Led - Memory Cognition Support	There are higher numbers of care packages than are funded in the budget; the unit costs are also higher than had been anticipated resulting in the overspend of £0.222m. This is due to a current lack of affordable residential and nursing home placements within the city.
(25)	Demand-Led - Mental Health Support	The average unit costs are lower than budgeted and this results in the underspend of £0.025m. There is an increasing need and complexity within this client group.
(6)	Demand-Led - Staff teams	

## Appendix 3 – Revenue Budget Performance

### Economy, Environment & Culture

#### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(718)	Transport	(7,050)	(7,799)	(749)	-10.6%	1,238	1,238	0
59	City Environmental Management	27,979	28,161	182	0.7%	1,025	875	150
169	City Development & Regeneration	2,807	2,963	156	5.6%	420	420	0
(25)	Culture	4,422	4,331	(91)	-2.1%	335	335	0
182	Property	1,181	1,363	182	15.4%	1,668	1,668	0
(333)	Total Economy, Environment & Culture	29,339	29,019	(320)	-1.1%	4,686	4,536	150
0	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(333)	Residual Risk After Financial Recovery Measures	29,339	29,019	(320)	-1.1%	4,686	4,536	150

## Explanation of Key Variances

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Transport		
(729)	Parking Services	Forecast over-achievement of permit fee income of £0.745m due to 5 new parking schemes starting in October 2017, as well as extra income from contractors for 'parking suspensions' due to a number of major developments in the city. There is also an underspend of £0.275m on unsupported borrowing costs due to the delayed Pay & Display machine replacement programme and repayment of borrowing in 2016/17. Other net variances amount to an overspend of £0.291m. Parking income is monitored on a monthly basis as there are a number of variable factors that can impact on parking activity. Minor variations in demand can result in significant financial implications. The current forecast variance represents 2.51% of the parking income budget.
(20)	Other Variances	
City Environmental Management		
308	Cityclean Operations	A forecast overspend of £0.233m on vehicle costs and an overspend on staff costs of £0.193m due to an additional bank holiday during the year, high summer demand including Pride weekend and agency staff cover due to high sickness levels. These are offset by an over-achievement of income from waste bin sales, additional income from the seafront contract and an underspend on supplies.
(138)	Fleet & Maintenance	A forecast over-achievement of income from vehicles repairs and maintenance offsets a corresponding pressure in Cityclean Operations.
12	Other variances	
City Development & Regeneration		
155	Applications	A forecast underachievement of building control income of £0.070m and an overspend of £0.040m due to legal advice and anticipated Public Inquiry costs in particular from appeals. Also other minor variances of £0.045m.
1	Other Variances	
Culture		
(70)	Venues	A forecast underspend on staff costs of £0.014m, an overachievement of income of £0.057m and other minor net variances.
(21)	Other Variances	

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Property		
260	Rents	Currently there is a much reduced forecast shortfall in expected rental income mainly associated with the Contracted Property Portfolio (CPP), New England House and Hove Town Hall. Also included within this is the £0.050m saving applied to the CPP budget. The CPP budget pressure is the variance between the year-on-year inflated rental income figure compared to the forecast provided by the council's property advisors, Cluttons. The rent forecast is subject to close monthly monitoring and will be adjusted as new information is received through the year.
(78)	Property Services	Property Services has identified pressures of £0.070m following the loss of a security contract and additional security provision at some sites but these are currently offset against various predicted underspends including Corporate Landlord utilities and responsive repairs (£0.148m).

## Neighbourhood, Communities &amp; Housing

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
170	Housing General Fund	5,345	5,545	200	3.7%	1,689	1,466	223
0	Libraries	4,900	4,900	0	0.0%	142	142	0
0	Communities, Equalities & Third Sector	2,721	2,721	0	0.0%	480	437	43
(80)	Regulatory Services	1,516	1,436	(80)	-5.3%	220	220	0
0	Community Safety	1,290	1,290	0	0.0%	71	71	0
90	Total Neighbourhood, Communities & Housing	15,772	15,892	120	0.8%	2,602	2,336	266
(170)	Further Financial Recovery Measures (see below)	-	(200)	(200)	-	-	-	-
(80)	Residual Risk After Financial Recovery Measures	15,772	15,692	(80)	-0.5%	2,602	2,336	266

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(200)	Further Financial Recovery Measures projection	The directorate has developed a Financial Recovery Plan to address the pressure on Housing General Fund Services. There are a range of pressures across Temporary Accommodation including the higher than budgeted repairs and voids costs and higher than forecast (at Month 5) spot purchasing levels. Spot purchasing is expected to reduce as the Trailblazer project becomes fully operational and, for example, new build dwellings become available in January. The higher levels of void and repairs costs should reduce as a result of new processes being implemented. If these measures are unsuccessful, the Flexible Homelessness Support Grant (which has a built in contingency) can be used as a last resort to mitigate this in-year overspend.

## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
Housing General Fund		
200	Temporary Accommodation	The forecast net overspend has increased due to a range of net pressures. This is driven by higher than forecast volumes of spot purchasing in the last few months and the ongoing pressure of voids and repairs costs (the result of more households moving into permanent accommodation via the new allocations policy). Since month 5, Universal Credit has been partly introduced for working age housing benefits claimants in Brighton and Hove. It is too early to quantify the financial impact on temporary accommodation but new processes are being implemented in order to monitor this.
(110)	Housing Options	There is a forecast underspend due to high staff turnover and difficulty in filling vacancies.
110	Seaside Community Homes	There is a forecast overspend driven substantially by the insurance costs paid for by the council which have in the past been covered by underspends on voids and maintenance budgets.
Regulatory Services		
(80)	Environmental Health and Licensing	<p>This forecast underspend is the result of posts which are being held vacant ahead of a directorate restructure/service reconfiguration.</p> <p>The one-off additional resources of £0.050m (as agreed by PR&amp;G in July 2017) to address large unauthorised tented encampments in parks and open spaces is now planned to be spent in summer 2018 and it is proposed to align this funding with the implementation of the proposed Field Officer role. A carry forward request for this will be made at the year-end in the Provisional TBM Outturn report to this committee.</p>

## Finance &amp; Resources

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
61	Finance	9,888	9,806	(82)	-0.8%	1,102	1,102	0
(514)	Housing Benefit Subsidy	(835)	(1,349)	(514)	-61.6%	120	120	0
(10)	HR & Organisational Development	2,908	2,832	(76)	-2.6%	354	304	50
100	ICT	6,429	6,529	100	1.6%	657	319	338
(363)	Total Finance & Resources	18,390	17,818	(572)	-3.1%	2,233	1,845	388
0	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(363)	Residual Risk After Financial Recovery Measures	18,390	17,818	(572)	-3.1%	2,233	1,845	388

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Finance		
0	Revenues & Benefits - shortfall in court costs income	There is a forecast shortfall in court costs income of £0.180m arising from enforcement officer vacancies. This is offset by a combination of staff vacancies and grant income.
(82)	Finance Services	Management of vacancies.
Housing Benefit Subsidy		
(514)		There is an expected surplus of £0.214m in the recovery of overpaid council tax benefits, based on receipts to date. On the main subsidy budgets there is insufficient data available to make a detailed forecast, but at present a £0.300m surplus is forecast.
HR & Organisational Development		
(76)		Expected overachievement of internal recharges



## Appendix 3 – Revenue Budget Performance

Key Variances		
£'000	Service Area	Variance or Financial Recovery Measure Description
ICT		
100		There are budget pressures in some areas particularly around ICT contracts, the Microsoft Enterprise contract and an increased schools ICT income target. A detailed review of costs and potential mitigations will be carried out with the aim of minimising this pressure. Potential mitigation might include appropriate use of the ICT reserve, Digital First funding and potential capitalisation of legitimate costs.

## Strategy, Governance &amp; Law

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(10)	Corporate Policy	693	683	(10)	-1.4%	60	60	0
(25)	Legal Services	1,313	1,254	(59)	-4.5%	120	120	0
(3)	Democratic & Civic Office Services	1,769	1,754	(15)	-0.8%	87	87	0
124	Life Events	(201)	(90)	111	55.2%	251	237	14
(10)	Performance, Improvement & Programmes	697	682	(15)	-2.2%	113	113	0
(38)	Communications	712	700	(12)	-1.7%	76	76	0
38	Total Strategy, Governance & Law	4,983	4,983	0	0.0%	707	693	14
0	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
38	Residual Risk After Financial Recovery Measures	4,983	4,983	0	0.0%	707	693	14

## Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Corporate Policy		
(10)	Policy & Partnerships	Underspends due to vacancies.
Legal Services		
(59)	Legal Services	Overachievement of income.
Democratic & Civic Office Services		
(15)		various small underspends

### Appendix 3 – Revenue Budget Performance

Life Events		
151	Bereavement Services	£0.269m income shortfall due to falling numbers of burials and cremations and also a drop in business undertaken for the ESCC Coroner so far this financial year. This is offset slightly by vacancy management savings of £0.061m and various underspends elsewhere of £0.057m. The Life Events Budget Review Group (attended by Service Management and Finance and HR Business Partners) has already implemented a training programme for Bereavement managers and staff to deal with issues raised by an internal audit report and will continue to discuss the on-going service redesign which is hoped amongst other things to improve marketing of the service to try and increase customer numbers.
(40)	Local Land Charges	Expected over-achievement of Land charges fees.
Performance, Improvement & Programmes		
(15)	Performance Team	Minor underspends.
Communications		
(12)	Communications	Vacancy savings of £0.060m offset by supplies and services overspends of £0.048m.

## Appendix 3 – Revenue Budget Performance

### Corporately-held Budgets

### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Bulk Insurance Premia	0	0	0	0.0%	0	0	0
0	Concessionary Fares	10,947	10,807	(140)	-1.3%	250	250	0
(69)	Capital Financing Costs	6,700	6,554	(146)	-2.2%	0	0	0
0	Levies & Precepts	205	205	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	2,603	2,603	0	0.0%	0	0	0
(20)	Unringfenced Grants	(15,648)	(15,668)	(20)	-0.1%	0	0	0
(58)	Other Corporate Items	5,175	5,087	(88)	-1.7%	195	223	0
(147)	Total Corporate Budgets	9,982	9,588	(394)	-3.9%	445	473	0
0	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(147)	Residual Risk After Financial Recovery Measures	9,982	9,588	(394)	-3.9%	445	473	0

### Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Concessionary Fares		
(140)	Concessionary Fares	Forecast trip numbers and reimbursement lower than previously anticipated.
Capital Financing Costs		
(146)	Investment Income	A combination of increases in cash balances and increases in short term investment rates as a result of an increase in Base Rate.

## Housing Revenue Account (HRA)

## Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %	2016/17 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Capital Financing	32,312	32,262	(50)	-0.2%	0	0	0
0	Head of Housing HRA	3,541	3,541	0	0.0%	106	106	0
(40)	Head of City Development & Regeneration	304	269	(35)	-11.5%	0	0	0
0	Housing Strategy	751	751	0	0.0%	0	0	0
(270)	Income Involvement Improvement	(46,451)	(46,791)	(340)	-0.7%	181	181	0
(180)	Property & Investment	7,615	7,615	0	0.0%	570	570	0
0	Tenancy Services	1,928	1,928	0	0.0%	75	75	0
(490)	Total Housing Revenue Account	0	(425)	(425)	0.0%	932	932	0

## Explanation of Key Variances

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Capital Financing			
(50)	Right to Buy Administration	This is the estimated administration costs income from Right to Buy sales.	
Head of City Development & Regeneration			
(35)	Staffing and supplies and services costs	The forecast underspend is the result of reduced employee costs due to a staff secondment.	

## Appendix 3 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Income Involvement Improvement			
(175)	Contribution to bad debt provision	Later than planned implementation of Universal Credit means that this budget is forecast to be underspent in 2017/18.	
(165)	Employees costs	The forecast underspend is due to staffing vacancies, mainly within the income management and customer services teams Recruitment is on-going and posts are forecast to be filled before the end of the financial year.	
Property & Investment			
260	Responsive Repairs and Empty Property works	At Month 2, budget of £0.600m was transferred to provide increased investment in the HRA capital programme. This was in recognition of the spend on responsive repairs being consistently lower than budgeted. Whilst spend is still lower than the original budget allocated, the forecast costs for both responsive repairs and empty property works have increased.	The reductions in budget for 2018/19 have been reviewed and amended to reflect this.
(140)	Supplies and Services	The forecast underspend is due to lower than budgeted spending on service contracts (for example, the gas servicing contract).	
(120)	Employees costs	Forecast underspend due to the delay in commissioning consultancy support for the re-procurement of the repairs contract.	

## Appendix 3 – Revenue Budget Performance

### Dedicated Schools Grant (DSG)

#### Revenue Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Individual Schools Budget (ISB)	124,676	124,676	0	0.0%
163	Early Years Block (including delegated to Schools) <i>(This includes Private Voluntary &amp; Independent (PVI) Early Years 3 &amp; 4 year old funding for the 15 hours free entitlement to early years education)</i>	12,457	12,027	(430)	-3.5%
291	High Needs Block (excluding delegated to Schools)	19,367	19,680	313	1.6%
(32)	Exceptions and Growth Fund	3,849	3,812	(37)	-1.0%
0	Grant Income	(159,764)	(159,764)	0	0.0%
422	Total Dedicated Schools Grant (DSG)	585	431	(154)	-26.3%

#### Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
Early Years Block (including delegated to Schools)			
(550)	Payments for 2,3 & 4 year olds	Underspend is based on the Autumn Term census. All of the underspend will be needed to be carried forward to 2018/19 as the DfE will recoup the funding based on the January 2018 census.	

## Appendix 3 – Revenue Budget Performance

Key Variances			
£'000	Service Area	Variance Description	Mitigation Strategy (Overspends Only)
120	Additional Support Funding for 2,3 & 4 year olds	Significant increase in the number of children receiving additional support funding in the Summer term and impact of increased free entitlement available to working parents from September 2017.	Meeting to review assessment process for additional support funding and subsequent impact on top up funding in mainstream schools.
High Needs Block (excluding delegated to Schools)			
200	High Needs top-up for Special Schools	Additional support packages for several pupils to avoid more expensive agency placements.	
131	High Needs top-up for mainstream Schools	Additional costs for Primary of £0.123m and Secondary of £0.008m.	Meeting to review assessment process for additional support funding and subsequent impact on top up funding in mainstream schools.
49	Inclusion Support Service	Loss of exception funding previously received for the Behaviour & Inclusive Learning Team (BILT).	Vacancy control.
(32)	FE Colleges High Needs payments	Changes in legislation leading to increased costs.	
(21)	Unallocated DSG	Unallocated High Needs Block.	
(14)	Other	Balance of variances on other cost centres.	
Exceptions and Growth Fund			
30	Historic pension costs	Historic pension liabilities.	
5	Ethnic Minority Achievement Service	Unexpected costs	
(6)	School Meals	Staff vacancy	
(16)	Exception 1 - Union Duties and other reimbursement	Underspent in reimbursement to schools for Union duties and Jury service.	
(50)	Access to Education	Increase in fines income.	



## Savings Monitoring 2017/18

## General Fund

Directorate	2017/18 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Families, Children & Learning	5,480	3,589	2,280
Health & Adult Social Care	4,873	4,173	700
Economy, Environment & Culture	4,686	4,536	150
Neighbourhood, Communities & Housing	2,602	2,336	266
Finance & Resources	2,233	1,845	388
Strategy, Governance & Law	707	693	14
Corporate Budgets	445	473	0
<b>Total Directorate Savings</b>	<b>21,026</b>	<b>17,645</b>	<b>3,798</b>
Tax Base Savings	341	341	0
<b>Total General Fund Savings</b>	<b>21,367</b>	<b>17,986</b>	<b>3,798</b>

## Housing Revenue Account

Directorate	2017/18 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Housing Revenue Account	932	932	0
<b>Total HRA Savings</b>	<b>932</b>	<b>932</b>	<b>0</b>



## Appendix 5 – Capital Programme Performance

### Families, Children & Learning – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Children's Safeguarding & Care	40	0	0	0	40	40	0	0.0%
0	Health & Disability Services	66	0	0	0	66	66	0	0.0%
0	Education & Skills	8,460	0	0	0	8,460	8,460	0	0.0%
0	Schools	178	0	0	0	178	178	0	0.0%
0	Stronger Families Youth & Communities	0	0	0	0	0	0	0	0.0%
0	<b>Total Families, Children &amp; Learning</b>	<b>8,744</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,744</b>	<b>8,744</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Families, Children &amp; Learning</b>				
No changes to report for Month 7.				

## Appendix 5 – Capital Programme Performance

### Health & Adult Social Care – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Adult Social Care	266	0	0	0	266	266	0	0.0%
0	Integrated Commissioning	2	0	0	0	2	2	0	0.0%
0	Provider Services	0	0	0	0	0	0	0	0.0%
0	Public Health	0	0	0	0	0	0	0	0.0%
<b>0</b>	<b>Total Health &amp; Adult Social Care</b>	<b>268</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>268</b>	<b>268</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Health &amp; Adult Social Care</b>				
No changes to report for Month 7.				

## Appendix 5 – Capital Programme Performance

### Economy, Environment & Culture (excluding Housing Revenue Account) – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	City Development & Regen	6,475	0	60	421	6,956	6,956	0	0.0%
0	City Environmental Management	8,823	0	0	250	9,073	9,073	0	0.0%
0	Culture	12,448	0	0	0	12,448	12,448	0	0.0%
0	Planning & Building Control	0	0	0	0	0	0	0	0.0%
25	Property	4,358	0	0	(2,143)	2,215	2,215	0	0.0%
0	Transport	20,285	0	0	(6,172)	14,113	14,113	0	0.0%
<b>25</b>	<b>Total Economy, Environment &amp; Culture</b>	<b>52,389</b>	<b>0</b>	<b>60</b>	<b>(7,644)</b>	<b>44,805</b>	<b>44,805</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Development &amp; Regen</b>				
Variation	322	Circus Street Redevelopment	The increase in the budget comprises the long-anticipated payment of £0.322m from South East Dance (SED) in respect of The Dance Space (TDS). This payment is required under a legal agreement between the council and SED and	

## Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			constitutes SED's agreed total contribution towards the construction costs of TDS. The funds will be paid by the council to the developer Cathedral (Brighton) at the point that delivery of TDS meets the requirements for payment as covered in the Development Agreement between the council and Cathedral (Brighton).	
Variation	99	Digital Catapult	Funding from Local Growth Fund approved to be managed by BHCC for additional works.	
<b>City Environmental Management</b>				
Variation	200	Stanmer Park Regeneration HLF	To support the Stanmer Park Estates Regeneration project as per the July 2016 PR&G report which approved the scheme and bid. Further details will follow for future years when the approved business case is in place. This spend relates to initial project costs only.	
Variation	50	Stanmer Depot Relocation	As above.	
<b>Property</b>				
Reprofile	(1,563)	GP Surgery Old Steine & Palace Place	The scheme is working in partnership with the NHS and GP Surgery. The intention now is to start on site in March 2018 following completion of the design process with only fees and start-up costs incurred in this financial year.	
Reprofile	(750)	Workstyles Phase 4	There is £0.750m in this year's Asset Management Fund which was allocated to Workstyles Phase 4 (Brighton Town Hall). The business case is to be completed in December 2017 with a PR&G report in the new year. If the business case is approved, the capital money will not be committed until 2018/19.	
Reprofile	(30)	Corporate Electronic Meeting Room	This is now to be incorporated in the Brighton Town Hall scheme as part of Workstyles Phase 4	

## Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
		Booking Software	which is not due to start until 2018/19.	
Variation	200	Stanmer Traditional Agriculture Buildings	To support the start-up costs incurred in 2017/18 associated with the delivery of the Traditional Agricultural Buildings redevelopment. As for the City Environmental Management variation above, this links to the July 2016 PR&G Committee report which approved spend. Further details will follow for future years when the approved business case is in place.	
<b>Transport</b>				
Reprofile	(6,172)	Valley Gardens	At Environment, Transport & Sustainability Committee on 27 June 2017, the Greenspace preliminary design was approved and officers were authorised to progress to the detailed design phase including submitting the associated Planning Application. Highways contractors are working with the project team to assist with the development of the Traffic Management Plans for the construction phase. Detailed Highway Designs are to be considered at Environment, Transport and Sustainability Committee on 28 November 2017. The Planning Application has been submitted and was considered and approved by the council's Planning Committee on 8th November. Officers propose to use the existing 'Hampshire Gen 3' framework contract to procure both Highway and Greenspace works contractors together. The majority of spend will now fall in 2018/19 and 2019/20, with completion anticipated in 2020/21.	

## Appendix 5 – Capital Programme Performance

### Neighbourhood, Communities & Housing (excluding Housing Revenue Account) – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Communities, Equalities & Third Sector	0	0	0	0	0	0	0	0.0%
0	Community Safety	0	0	0	0	0	0	0	0.0%
0	Housing - GF	2,563	0	0	0	2,563	2,563	0	0.0%
0	Libraries	65	0	0	0	65	65	0	0.0%
0	Regulatory Services	5	0	0	0	5	5	0	0.0%
<b>0</b>	<b>Total Neighbourhood, Communities &amp; Housing</b>	<b>2,633</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,633</b>	<b>2,633</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Neighbourhood, Communities &amp; Housing</b>				
No changes to report for Month 7.				



## Housing Revenue Account – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
(866)	City Development & Regen	14,952	0	0	(1,373)	13,579	13,095	(484)	-3.6%
(714)	Housing - HRA	27,988	2,000	0	(1,332)	28,656	26,350	(2,306)	-8.0%
<b>(1,580)</b>	<b>Total Housing Revenue Account</b>	<b>42,940</b>	<b>2,000</b>	<b>0</b>	<b>(2,705)</b>	<b>42,235</b>	<b>39,445</b>	<b>(2,790)</b>	<b>-6.6%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Development &amp; Regeneration</b>				
Reprofile	(1,373)	Various	Reprofile of budget for following schemes: - <ul style="list-style-type: none"> <li>Guinness Garage Sites (£0.665m)</li> <li>Selsfield Drive (£0.145m)</li> <li>Lynchet Close (£0.063m)</li> <li>Design Competition (£0.500m)</li> </ul>	No action required – scheme construction to continue into 2018/19.
Variation	(363)	Brooke Mead development	Projected underspend for 2017/18 budget to be moved to Guinness Garage sites to cover additional costs identified at Kensington Street. The overall cost of the scheme, across all years, is projected to overspend by £0.016m (which represents 0.1% of the total project cost).	

## Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			Completion is expected in December 2017.	
Variation	363	Guinness Garage Sites	Change in budget to cover the increase in costs at Kensington Street as a result of the number of party wall agreements. The budget, including this variation, will also be re-profiled to 2018/19 – see above.	
Underspend	(134)	Findon Road Development	Projected underspend for 2017/18 budget.	No action required.
Underspend	(366)	Wellsbourne Development	Projected underspend for 2017/18 budget.	No action required.
Overspend	16	Brooke Mead Development	Minor overall scheme variance.	No action required.
<b>Housing HRA</b>				
Reported at other committees	2,000	Home Purchase Scheme	Reported at Housing & New Homes Committee on 20 September 2017 and at Policy Resource & Growth Committee 12 October 2017.	
Reprofile	(1,332)	Various	Reprofile of budget for various schemes: - <ul style="list-style-type: none"> <li>• Structural Repairs (£0.475m)</li> <li>• Lifts (£0.472m)</li> <li>• Fire Safety (£0.150m) – <i>this relates to a proposed sprinkler programme (currently subject to resident consultation)</i></li> <li>• Cyclical Decorations (£0.135m)</li> <li>• ICT systems (£0.100m)</li> </ul>	No action required – projects will continue into 2018/19.
Underspend	(713)	Cyclical Decorations	Due to some delivery issues there is an underspend against this year's budget allocation.	Discussing delivery issues with contractors to prevent underspends of this size in future years.

## Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Underspend	(350)	Lifts	Remove contingency funding for the replacement of a possible 2 lifts for which no current need has been identified.	
Underspend	(343)	Hidden Homes	Some of the planned conversions are not expected to be completed this financial year.	There is sufficient budget allocated in 2018/19, so no reprofile is required.
Underspend	(293)	Other Mechanical & Electrical Service Contracts	Programme review has resulted in a lower funding requirement for 2017/18.	
Underspend	(250)	Door Entry Systems & CCTV (incl. Main Entrance Doors)	Programme review has resulted in a lower funding requirement for 2017/18.	
Underspend	(201)	Structural Repairs	Projected underspend against the 2017/18 budget.	
Underspend	(198)	Condensation & Damp Works	Major works investment has resulted in a reduced projected spend against this budget.	
Overspend	129	Minor Capital Works	Projected overspend against 2017/18 budget.	Offset by other underspends against capital programme.
Underspend	(87)	Various	<p>Variances of less than £0.100m across various schemes:</p> <ul style="list-style-type: none"> <li>• Stonehurst conversion (£0.097m)</li> <li>• Roofing (£0.059m); Windows (£0.038m)</li> <li>• Insulation (£0.047m)</li> <li>• Asbestos (£0.020m)</li> <li>• BHCC Projects (£0.016m)</li> <li>• Sheltered Housing Conversions (£0.008m)</li> <li>• Bathrooms &amp; Kitchens £0.071m</li> </ul>	

## Appendix 5 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<ul style="list-style-type: none"> <li>Capital Works Assessment £0.056m</li> <li>Pre Lease Conversion Works £0.031m</li> <li>Future Proofing Assets £0.017m</li> <li>Empty Properties £0.014m</li> <li>Feasibility &amp; Design £0.009m</li> </ul>	

### Finance & Resources - Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Finance	0	0	0	0	0	0	0	0.0%
0	HR & Organisational Develop	0	0	0	0	0	0	0	0.0%
0	ICT	4,019	0	0	0	4,019	4,019	0	0.0%
0	<b>Total Finance &amp; Resources</b>	<b>4,019</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,019</b>	<b>4,019</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Finance &amp; Resources</b>				
No changes to report for Month 7				

## Appendix 5 – Capital Programme Performance

### Strategy Governance & Law – Capital Budget Summary

Forecast Variance Month 5 £'000	Service	2017/18 TBM 5 Budget £'000	Reported at other Committees £'000	New Schemes in Appendix 6 £'000	Variation, Slippage/ reprofile £'000	2017/18 Budget Month 7 £'000	Forecast Outturn Month 7 £'000	Forecast Variance Month 7 £'000	Forecast Variance Month 7 %
0	Communications	0	0	0	0	0	0	0	0.0%
0	Legal Services	0	0	0	0	0	0	0	0.0%
	Life Events	0	0	6	0	6	6	0	0.0%
	Perf Improvement & Programmes	0	0	0	0	0	0	0	0.0%
0	Corporate Policy	0	0	0	0	0	0	0	0.0%
<b>0</b>	<b>Total Strategy Governance &amp; Law</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0.0%</b>

Details of Variation requests and explanations of significant Forecast Variances, Slippage or Reprofiles are given below:

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Strategy Governance &amp; Law</b>				
No changes to report for Month 7				

**Note:** There are currently no capital budgets to report on for Corporate Services.



**New schemes to be added to the Capital Programme in 2017/18 for approval**

New Capital Project Approval Request				
Unit:	Life Events			
Project title:	Coroner's Software System			
Total Project Cost (All Years):	£0.006m			
<b>Purpose, benefits and risks:</b>				
<p>East Sussex County Council (ESCC), West Sussex County Council (WSSC) and Brighton &amp; Hove City Council (BHCC) are purchasing the same case management system for Coroner's services. For BHCC it will be a big step towards modernising the Coroner's service, and there are significant benefits to using the same software as our neighbouring Local Authorities, who employ Coroner's Officers in all 3 Coroner jurisdictions. BHCC Coroner's services have until now not used a case management software system. Business Improvement work carried out earlier in the year suggested investment in the service initially will lead to efficiencies and potential for savings moving forward. The introduction of standardised processes and consistent administration across all 3 areas is something Sussex Police have long advocated, and they have fully supported this approach, which should enable Officers to work across the 3 jurisdictions, using the same software.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	This Year	Next Year	Year After	TOTAL
Other - Bereavement Services Earmarked Reserves	6			6
Total estimated costs and fees	6			6
<b>Financial implications:</b>				
<p>This will cost £0.006m up-front, which will be funded from Bereavement Services earmarked reserves. There will also be annual costs of £0.011m to cover software license, hosting services and look-up charges. These annual costs will met from within the Bereavement Services revenue budget.</p>				

New Capital Project Approval Request				
Unit:	City Development & Regeneration			
Project title:	Local Full Fibre Network			
Total Project Cost (All Years):	£0.060m			
<b>Purpose, benefits and risks:</b>				
This proposed investment relates to progression of a Local Full Fibre Network (LFFN) application to the Department of Culture Media and Sports (DCMS). The budget would cover work required to deliver an Expression of Interest and if successful a full business case and funding application. The LFFN will deliver full fibre connectivity to core sites (i.e. Council sites) and additional public-sector sites, to enable cost modelling and mapping to aid service efficiency. Work will include Stakeholder engagement, business case development, contract documentation, completion of the LFFN checkpoints, contract negotiation process, contract award and implementation phase support.				
<b>Capital expenditure profile (£'000):</b>				
Year	This Year	Next Year	Year After	TOTAL
Capital Receipts (Strategic Investment Fund)	60			60
Total estimated costs and fees	60			60
<b>Financial implications:</b>				
This will cost £0.060m to support the Major Projects Team to deliver the expression of interest, business case development and funding application. Costs will be funded from the corporate Strategic Investment Fund for 2017/18.				



<b>Subject:</b>	<b>Treasury Management Policy Statement 2017/18 (including Annual Investment Strategy 2017/18) – Mid Year Review</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b> 14 December 2017 – Full Council		
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>James Hengeveld</b>	<b>Tel: 01273 291242</b>
	<b>Email:</b>	<b>james.hengeveld@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The 2017/18 Treasury Management Policy Statement (TMPS), practices and schedules were approved by Policy, Resources & Growth Committee on 23 March 2017. The TMPS sets out the role of Treasury Management, whilst the practices and schedules set out the annual targets and methods by which these targets will be met.
- 1.2 The TMPS includes the Annual Investment Strategy (AIS) which sets out the key parameters for investing council cash funds and was approved by Full Council on 6 April 2017.
- 1.3 It is recommended good and proper practice that Members receive half yearly reports and review and endorse treasury management actions during the year. The purpose of this report is to advise of the action taken in the first half of 2017/18.

**2. RECOMMENDATIONS:*****Policy, Resources & Growth Committee***

- 2.1 That Policy, Resources & Growth Committee endorses the key actions taken during the first half of 2017/18 to meet the treasury management policy statement and practices (including the investment strategy) as set out in this report.
- 2.2 That Policy, Resources & Growth Committee notes that the approved maximum indicator for investment risk of 0.05% has been adhered to and the authorised limit and operational boundary have not been exceeded in the first half of the year.
- 2.3 That Policy, Resources & Growth Committee recommends to full Council the approval of the amended Annual Investment Strategy 2017/18 as set out in Appendix 3 to this report.

- 2.4 That Policy, Resources & Growth Committee recommends to full Council the approval of the amended Minimum Revenue Provision (MRP) Policy 2017/18 as set out in Appendix 4 to this report.

### ***Full Council***

- 2.5 That full Council approve the amended Annual Investment Strategy 2017/18 as set out in Appendix 3 to this report;
- 2.6 That full Council approve the amended MRP Policy 2017/18 as set out in Appendix 4 to this report.

## **3. CONTEXT/ BACKGROUND INFORMATION**

### ***Overview of Markets***

- 3.1 Preliminary estimates indicate that the UK grew faster than expected at 0.4% (1.5% annually) in Quarter 3 2017 compared to the estimate of 0.3%. Growth was driven by performance in the Services sector and in manufacturing.
- 3.2 The Bank of England's Monetary Policy Committee raised the official Bank Rate to 0.50% in its meeting of 2 November 2017 with a vote of 7-2. The rate rise was following the committee signalling a possible imminent rate increase in its previous meeting in response to growing economy and inflation concerns. Further rate rises are likely to be gradual, with the November 2017 Inflation report signalling two further 0.25% rate increases over the next two years. Bank of England governor, Mark Carney, commented that the Brexit negotiations were the single biggest factor for the next move on rates, with uncertainty of the outcome of the negotiations currently weighing on UK investment.
- 3.3 The indication of further rate rises being gradual resulted in a fall in sterling against both the dollar and the euro. Longer term investment rates have also eased as markets appeared to have previously expected a faster pace of bank rate increases.
- 3.4 Pressure on long term investment rates is expected to continue for the remainder of the year, whilst an increase in short term investment rates has been built into the Financing Costs projection to be reported in Targeted Budget Monitoring (TBM) month 7.

### ***Treasury Management Strategy***

- 3.5 A summary of the action taken in the 6 months to September 2017 is provided in Appendix 1 to this report and further information on borrowing and investment performance is shown in Appendix 2. The main points are:
- The council entered no new borrowing arrangements during the period;
  - The highest risk indicator during the period was 0.041% which is below the maximum set of 0.050%;
  - The return on investments by the in-house treasury team and cash manager has exceeded the target rates;
  - The two borrowing limits approved by full Council have not been exceeded.

- 3.6 Treasury management activity in the half-year has focused on a short-term horizon as summarised in the table below:

	Amount invested 1 Apr 2017 to 30 Sep 2017			
	Fixed deposits	Money market funds & Call Accounts	Total	
Up to 1 week	-	£250.8m	£250.8m	82%
Between 1 week & 1 month	-	-	-	-
Between 1 month & 3 months	-	-	-	-
Over 3 months	£55.0m	-	£55.0m	18%
	<b>£55.0m</b>	<b>£250.8m</b>	<b>£305.8m</b>	<b>100%</b>

**Summary of Treasury Activity April to September 2017**

- 3.7 The following table summarises the treasury activity in the half year to September 2017 compared to the corresponding period in the previous year.

April to September	2016/17	2017/18
Long-term borrowing entered into	(£19.3m)	-
Long-term borrowing repaid	£3.4m	£0.5m
Short-term borrowing repaid	-	-
Investments made	£270.3m	£305.8m
Investments maturing	(£246.8m)	(£275.7m)

- 3.8 The Financing Costs budget reported a £0.069m underspend at Month 5 due to an increase in investment income resulting from an increase in cash balances. As a result of increased balances and an increase in Base Rate, the underspend at Month 7 has increased by £0.076m.
- 3.9 The following table summarises how the day-to-day cash flows in the first half-year have been funded compared to the same period in the previous year. The large increase in cash flow deficit compared to 2016/17 relates largely to one off grants paid in advance in 2017/18 as well as some timing differences in income.

April to September	2016/17	2017/18
Cash flow surplus – general	£7.2m	£30.7m
<b>Net cashflow surplus</b>	<b>£7.2m</b>	<b>£30.7m</b>
Represented by:		
Decrease in long-term borrowing	£15.9m	(£0.5m)
Decrease in short-term borrowing	-	-
Increase in investments	(£23.5m)	(£30.1m)
(Increase)/decrease in bank balance	£0.4m	(£0.1m)

**Security of Investments**

- 3.10 A summary of investments made by the in-house treasury team and outstanding as at 30 September 2017 in the table below shows that investments continue to

be held in good quality, short term instruments. The funds invested in BBB institutions included in the table below are invested in the part-nationalised banks which are backed by Government guarantees in line with the AIS.

'AAA' rated money market funds	£14.83m	16%
'AA' rated institutions	£8.00m	9%
'A' rated institutions	£66.48m	71%
'BBB' rated institutions	£4.00m	4%
<b>Total</b>	<b>£93.31m</b>	<b>100%</b>
Period – less than one week	£14.83m	16%
Period – between one week and one month	£10.00m	11%
Period – between one month and three months	£10.50m	11%
Period – between three months and 1 year	£57.98m	62%
<b>Total</b>	<b>£93.31m</b>	<b>100%</b>

### **Risk**

- 3.11 As part of the investment strategy for 2017/18 the Council agreed a maximum risk benchmark of 0.050% i.e. there is a 99.95% probability that the council will receive its investments back. The benchmark is a simple target that measures the risk based on the financial standing of counterparties and length of each investment based on historic default rates. The actual risk indicator has varied between 0.025% and 0.041% between April 2017 and September 2017. It should be remembered however that the benchmark is an average risk of default measure, and does not constitute an expectation of loss against a particular investment.
- 3.12 In October 2017, Internal Audit undertook an audit of the treasury management function. The audit concluded that “substantial assurance” is provided on the effectiveness of the control framework operating and mitigating risks for treasury management. No recommendations were provided.

### **Performance**

- 3.13 The following table summarises the performance on investments compared with the budgeted position and the benchmark rate.

(*) Annualised rates	In-house investments		Cash manager investments	
	Average balance	Average rate (*)	Average balance	Average rate (*)^
Budget 2017/18– full year*	£57.7m	0.50%	£26.1m	0.77%
Actual to end Sept 2017	£106.9m	0.55%	£26.1m	0.50%
Benchmark rate to end Sept 2017**	-	0.36%	-	0.12%

\* This is an average for the full year –profile of balances are higher in the first half of the year and are expected to reduce over the financial year

\*\* The in-house benchmark rate is set at the 7 Day LIBID plus 0.25% whilst the Cash Manager's fund's benchmark rate is 105% of the 7 day LIBID

^ The Cash Manager average rates are net of fees (deducted at 0.15%)

- 3.14 The return on the cash manager funds had been declining. As a result, officers have commissioned the council's treasury advisors to undertake a fund selection process for similar funds. This will allow the council to ensure it's receiving value for money from its investment portfolio. Any alternative investments entered into will be in line with the council's Annual Investment Policy (Appendix 3).
- 3.15 The council is part of a regional benchmark club which shares investment strategies and performance on a confidential basis. The latest benchmarking data demonstrates that the council's investment portfolio is performing in line with expectations given the challenging investment climate.

### ***Changes in Financial Instrument Regulations – MiFID II***

- 3.16 Under current market regulations all Local Authorities in the UK are treated by investment counterparties as "Professional" clients. This allows authorities to access a number of tradeable instruments (such as Certificates of Deposits, Treasury Bills and Money Market Funds) that "retail" clients, or individuals are not able to access.
- 3.17 The EU has revised the regulations within MiFID II (Markets in Financial Instruments Directive). Within the revised regulations, Local Authorities will automatically be classified as "Retail" clients. There is the opportunity to "opt-up" to professional status so long as the council fulfils a number of quantitative and qualitative criteria. These new regulations come into effect on 3rd January 2018 and the council will be required to opt up to professional status, prior to this date, with all those counterparties where it invests in tradeable instruments in order to continue to access these instruments.
- 3.18 The council meets the requirements to opt up to professional status and the Treasury Team are currently undertaking the opting up process with the council's investment counterparties. It is not envisaged that the council's access to investments and counterparties will change.

### ***Proposed change to the Annual Investment Strategy 2017/18***

- 3.19 The council's average cash balances in 2017/18 to date have been higher than in previous years. This is principally due to the timing differences between capital receipts, new external borrowing being undertaken in 2015/16 and 2016/17 and capital expenditure. As the cash balances increase, it is vital that the council's investment portfolio is adequately diversified to minimise the risk of loss and strengthen the security of the council's cash.
- 3.20 An investment opportunity has arisen from one of the council's market lenders (Danske Bank). The proposal is a variable rate 10 year investment which is offset against the council's loan with Danske. This will result in the council being able to undertake a longer term investment with no credit risk as the offset would result in the investment being used to repay the council's loan in the event of a default by Danske.
- 3.21 An amendment to the council's Annual Investment Strategy (AIS) would be required in order to undertake this opportunity. The revised AIS (Appendix 3) outlines that any investment where there is a direct and legal offset would be

outside of the scope of the investment strategy's usual assessment of lending periods and investment values.

### ***Proposed Change to the MRP Policy***

- 3.22 The council makes a Minimum Revenue Provision (MRP) in each year in order to set aside the resources to repay the council's debt. The MRP policy is approved each year as part of the budget process and the 2017/18 MRP was approved by Budget Council on 23 February 2017.
- 3.23 Paragraph 8.5 of the Living Wage Joint Venture Business Plan report, presented to this committee on 12 October 2017, explained that the MRP Policy would need to be amended to ensure that the MRP relating to the Joint Venture project would be made in such a way that it matched the cash flows of the project. This is to minimise revenue impact in the early years of the project whilst still ensuring a prudent provision is being made. The proposed amendment to the MRP policy specifies that MRP will commence in Year 9 of the project, coinciding with the start of anticipated net surpluses.
- 3.24 The revised MRP Policy is set out in Appendix 4.

### ***Borrowing Strategy***

- 3.25 The General fund entered into £20.0m of planned new borrowing over the last two years. This borrowing was undertaken to reduce the council's internal borrowing position (i.e. the extent to which the council was borrowing cash from its own reserves) in light of interest rate forecasts and the reduction in certain reserves expected over the medium term.
- 3.26 The Housing Revenue Account (HRA) has entered into £10m of external borrowing and £3.2m of borrowing from the General Fund to support the 2016/17HRA Capital Programme.
- 3.27 As a result of the increase in cash balances, it is not expected that the council will enter into any new external borrowing in 2017/18. The Treasury Team, along with the council's treasury advisors, monitor interest rates and will seek to externalise the HRA's borrowing from the General Fund at a time which would be optimal for both the HRA and the General Fund. The Treasury Team are also exploring alternative borrowing sources, such as forward market borrowing for future capital investment plans.

### ***Treasury Advisors***

- 3.28 The council's current contract for treasury advisory services is with Link Asset Services (LAS). The Capita group announced the sale of its Asset Services arm to The Link Group in June 2017. The Link group provides financial administration services across Asia, Africa and Australasia, the Middle East and Europe, and is seeking to increase its UK presence. Formal completion of the sale was on 6 November 2017, and Capita Asset Services has therefore rebranded as Link Asset Services as part of the move to the Link Group.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 This report sets out action taken in the 6 months to September 2017. Treasury management actions have been carried out within the parameters of the AIS,

TMPS and Prudential Indicators. Therefore no alternative options have been considered.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The council's external treasury advisors have been consulted over the content of this report. No other consultation was undertaken.

## **6. CONCLUSION**

- 6.1 Treasury management is governed by a code that is recognised as "best and proper practice" under the Local Government Act 2003. The Code requires a minimum of two reports per year, one of which is required to review the previous year's performance. This report fulfils that requirement.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The financial implications of treasury management activity are reflected in the financing costs budget set out in paragraph 3.8.

*Finance Officer Consulted: James Hengeveld*

*Date: 16/11/17*

### Legal Implications:

- 7.2 The TMPS and associated actions are exercised under powers given to the council by Part 1 of the Local Government Act 2003, which include the power for a local authority to invest for the purposes of the prudent management of its financial affairs (section 12).
- 7.3 The terms of the proposed investment with the Danske Bank referred to in paragraphs 3.20 and 3.21 have been reviewed by the Legal team. In the event of the Bank becoming insolvent, the Council's obligation to repay the loan and any interest on it would be automatically offset by its deposit with no further sums becoming due.

*Lawyer Consulted: Victoria Simpson*

*Date: 14/11/17*

### Equalities, Sustainability and other significant implications:

- 7.4 There are no direct implications arising from this report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. A summary of the action taken in the period April 2017 to September 2017
2. September 2017 Treasury Management performance data

3. Amended Annual Investment Strategy 2017/18 for approval
4. Amended Minimum Revenue Provision statement 2017/18 for approval

### **Documents in Members' Rooms**

None

### **Background Documents**

1. Part I of the Local Government Act 2003 and associated regulations
2. The Treasury Management Policy Statement and associated schedules 2017/18 approved by Policy, Resources & Growth Committee on 23 March 2017
3. The Annual Investment Strategy 2017/18 approved by full Council on 6 April 2017
4. Papers held within Financial Services, Finance & Resources Directorate
5. The Prudential Code for Capital Finance in Local Authorities published by CIPFA 2011



**Summary of action taken in the period April to September 2017**

**Treasury Management Strategy**

***New long term borrowing***

No new debt was undertaken during the first 6 months.

***Debt maturity***

£0.469m of long-term borrowing was repaid in the first 6 months.

The council had 2 loans with Lender Options due in the 6 month period but no option was exercised. Lender options are where the lender has the exclusive option to request an increase in the loan interest rate and the council has the right to reject the higher rate and repay instead (LOBO).

***Debt restructuring***

Opportunities to restructure the debt portfolio are severely restricted under changes introduced by the Public Works Loan Board in October 2007. No restructuring was undertaken in the first 6 months.

***Weighted average maturity profile***

The weighted average maturity period of the portfolio has decreased from 29.7 years to 29.4 years. This is the result of a combination of a natural decrease in the maturity by 6 months and a small repayment of annuity debt.

***Capital financing requirement***

The prudential code introduces a number of indicators that compare borrowing with the capital financing requirement (CFR) – the CFR being amount of capital investment met from borrowing that is outstanding. Table 1 compares the CFR with actual borrowing.

**Table 1 – Capital financing requirement compared to debt outstanding**

	1 April 2017	30 Sept 2017	Movement in period
Capital financing requirement (CFR)	£358.4m		
Less PFI element	(£51.7m)		
Net CFR	£306.7m	<sup>(*)</sup> £318.9m	+£12.2m
Long-term debt	£260.5m	<sup>(**)</sup> £260.0m	- £0.5m
O/s debt to CFR (%)	84.9%	81.5%	- 3.4%

<sup>(\*)</sup> projected 31 March 2018

<sup>(\*\*)</sup> As at 30 Sept 2017

Traditionally, the level of borrowing outstanding is at or near the maximum permitted in order to reduce the risk that demand for capital investment (and hence resources) falls in years when long-term interest rates are high (i.e. interest rate risk). However given the continued volatility and uncertainty within the financial markets, the council has maintained the strategy of keeping borrowing at much lower levels (as investments are used to repay debt). Currently outstanding debt represents 81.5% of the projected capital financing requirement.

### **Cash flow debt / investments**

*The TMPS states that “The council will maintain an investment portfolio that is consistent with its long term funding requirements, spending plans and cash flow movements.”*

An analysis of the cash flows reveals a net surplus for the first 6 months of £30.7m. The surplus has been used to increase investments (Table 2).

Table 2 – Cash flow April to September 2017

	Payments	Receipts	Net cash
Total for period	£454.3m	£485.0m	+£30.7m
Represented by:			
Decrease in long term borrowing			+£0.5m
Increase in investments			+£30.1m
Increase in balance at bank			+£0.1m
			+£30.7m

### **Prudential indicators**

Budget Council approved a series of prudential indicators for 2017/18 at its meeting on 23 February 2017. Taken together, the indicators demonstrate that the council's capital investment plans are affordable, prudent and sustainable.

In terms of treasury management the main indicators are the 'authorised limit' and 'operational boundary'. The authorised limit is the maximum level of borrowing that can be outstanding at any one time. The limit is a statutory requirement as set out in the Local Government Act 2003. The limit includes 'headroom' for unexpected borrowing resulting from adverse cash flow.

The operational boundary represents the level of borrowing needed to meet the capital investment plans approved by the council. Effectively it is the authorised limit minus the headroom and is used as an in-year monitoring indicator to measure actual borrowing requirements against budgeted forecasts.

Table 3 compares both indicators with the maximum debt outstanding in the first half year.

Table 3 – Comparison of outstanding debt with Authorised Limit and Operational Boundary 2017/18

	Authorised limit	Operational boundary
Indicator set	£419.0m	£406.0m
Less PFI element	-£52.0m	-£52.0m
Indicator less PFI element	£367.0m	£354.0m
Maximum amount o/s in first half of year	£260.5m	£260.5m
Variance	<sup>(*)</sup> £106.5m	£93.5m

<sup>(\*)</sup> can not be less than zero

## **Performance**

The series of charts in Appendix 2 provide a summary of the performance for both the debt and investment portfolios.



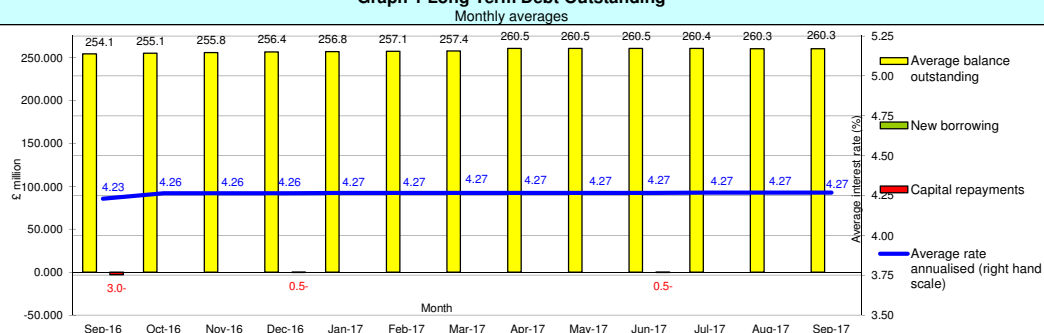
The graphs below show the monthly averages of borrowing and investments outstanding, monthly cashflows and the average monthly cost/return on debt/investments, over a thirteen month period.

Graph 1

This graph shows the average monthly balance outstanding on long term debt, together with the average cost.

It also shows the amount of new long term debt raised and the repayment of long term borrowing.

Graph 1 Long Term Debt Outstanding



Graph 2

This graph shows the average monthly balance outstanding for:

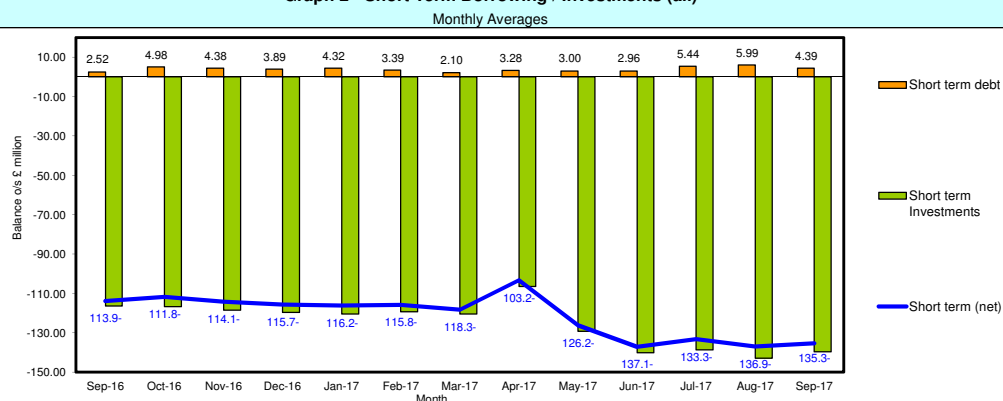
- short term debt

- short term investments

The graph also shows the net monthly cash position, excluding long term borrowing

Short term debt includes the monies held on behalf of South Downs National Park Authority.

Graph 2 - Short Term Borrowing / Investments (all)

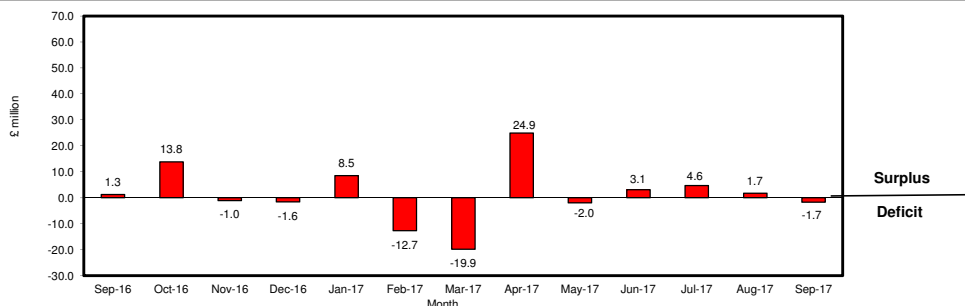


Graph 3

This graph shows the net monthly cash flow position, excluding movement in borrowing and investments.

Cashflow movements have resulted in a surplus for the month.

Graph 3 - Monthly Cash Flows



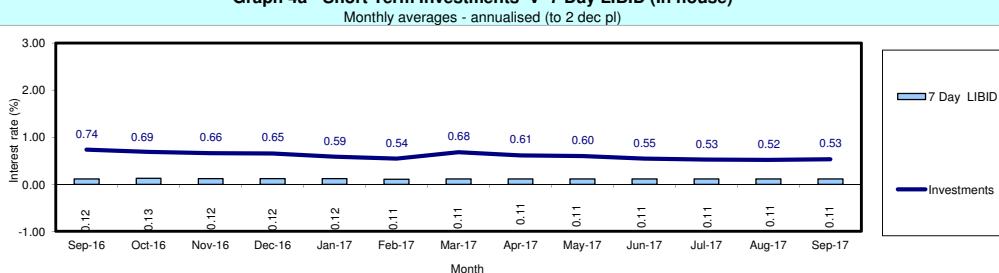
Graph 4a

This graph compares the average return on short term investments with the average 7 Day LIBID rate.

The target is for the return on short term investments to exceed the 7 Day rate by 5% in a 12 month period

In house investments continue to meet the benchmark target rate of return.

Graph 4a - Short Term Investments -v- 7 Day LIBID (In house)



Graph 4b

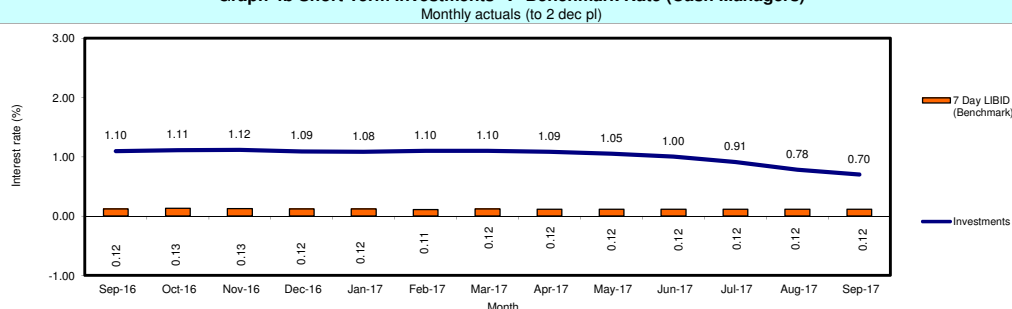
The cash manager performance fluctuates due to changes in the value of the investments. Performance has been above benchmark target levels in 12 of the past 12 months.

This graph compares the average return on the fund with a benchmark of 7 Day LIBID

The target is for the return on investment to achieve 115% of the benchmark rate within a 3 year rolling period

This graph shows the yield gross of fees.

Graph 4b Short Term Investments -v- Benchmark Rate (Cash Managers)



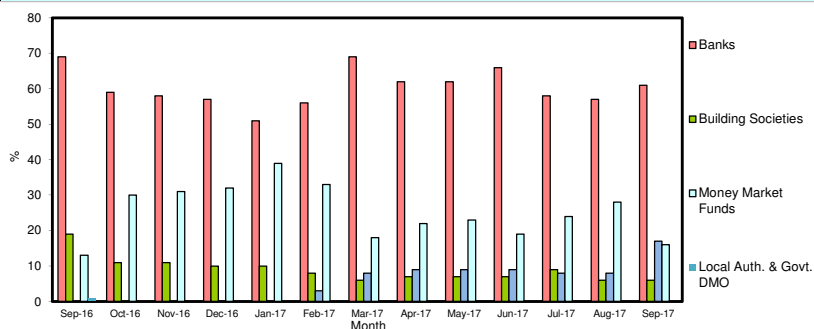
## Investments by Sector

The 2017/18 Treasury Policy Statement states that with the exception of the banking sector and money market funds, no one sector shall have more than 75% of the investment portfolio at the time an investment is made. As at end of September investments were held as follows:-

<b>SWIP External Managers</b>	£m	26.05	
<b>In-house Investments - Banks</b>			
Barclays Bank plc	6.500		
Close Brothers	7.500		
Lloyds Bank plc	18.500		
Santander UK Plc	10.981		
Standard Chartered Bank	9.000		
Royal Bank of Scotland	4.000		
	<b>56.481</b>	<b>60.5 %</b>	
<b>Local Authority</b>			
Birmingham City Council	3.000		
London Borough of Enfield	3.000		
Salford City Council	2.500		
Slough City Council	2.500		
Surrey County Council	5.000		
	<b>16.000</b>	<b>17.1 %</b>	
<b>Money Market Funds</b>			
Aberdeen Global Liquidity Fund	0.004		
BNP PARIBAS INSTICASH STERLING Func	9.911		
CCLA - Public Sector Deposit Fund	0.202		
Standard Life Liquidity Fund	0.008		
Insight Liquidity Funds Plc	0.002		
Federated Investors	4.705		
	<b>14.832</b>	<b>15.9 %</b>	
<b>In-house Investments - Building Societies</b>			
Nationwide Building Society	6.000		
	<b>6.000</b>	<b>6.4 %</b>	
<b>TOTAL - In-house Investments</b>	<b>93.313</b>	<b>100.0</b>	

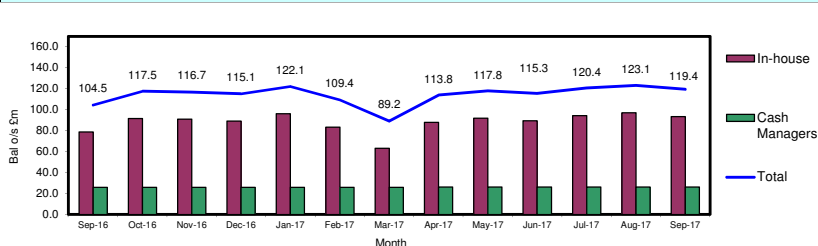
**Graph 5a - Investments by Sector (In-house)**

Month end balances

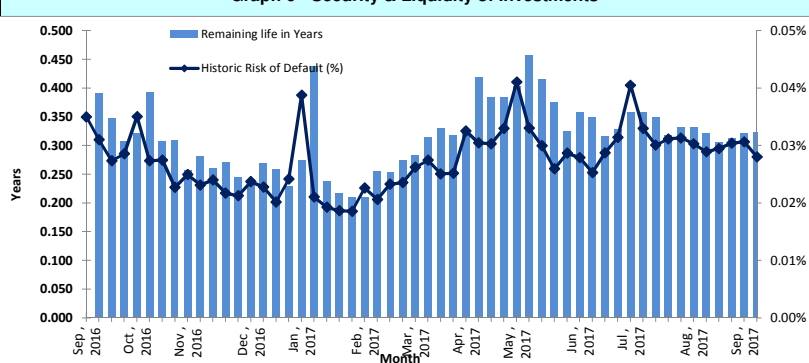


**Graph 5b - Investments In-house -v- Cash Manager**

Month end balances



**Graph 6 - Security & Liquidity of Investments**



**Graph 6**

Members agreed, as part of the 2017/18 Treasury Policy Statement, to set a maximum indicator for risk at 0.05%. Table 6 shows the risk factor experience to be below the maximum set.

## Prudential Indicators (Treasury Management)

The Council sets each year a number of prudential indicators for treasury management. The following tables show that these indicators have not been exceeded in the month of September

Gross Outstanding Debt (£millions)		
	Debt	PFI
Authorised limit	367	52
Operational boundary	354	52
Minimum o/s	260	-
Maximum o/s	260	-

Net Outstanding Debt (£millions)		
	Debt	PFI
Minimum capital financing requirement	307	52
Maximum net debt o/s	140	-

Variable Rate Debt (%age)	
Maximum limit	40.0
Maximum amount o/s	0.0

(NB. The maximum limit for fixed rate debt is 100% and cannot therefore be breached.)

Debt Maturity Profile (%ages)					
	<12 mths	1-2 yrs	2-5 yrs	5-10 yrs	>10 yrs
Maximum limit	40.0	30.0	40.0	75.0	100.0
Minimum limit	0.0	0.0	0.0	0.0	50.0
Maximum o/s debt	0.6	1.0	2.6	20.8	75.0

This summary was produced by Corporate Finance & Resources, Financial Services

**BRIGHTON & HOVE CITY**  
**COUNCIL**

**ANNUAL INVESTMENT**  
**STRATEGY**  
**2017/18**

The Annual Investment Strategy was approved by full Council  
on 6 April 2017

This version contains changes subject to approval by Policy,  
Resources & Growth Committee on 30 November 2017 and by  
full Council on 7 December 2017. Changes to be approved are  
annotated in ***grey bold italic***

**Brighton & Hove City Council**  
**Annual Investment Strategy 2017/18**

This Strategy complies with guidance issued by the Secretary of State on investments and sets out the council's policy on investment criteria and counterparties. It should be noted that the minimum criteria set out in this document is only one factor taken into account for the investment of council funds. Other factors, such as Government guarantees and support and information available from the financial press and similar publications will also be taken into account when determining investment decisions. Counterparties that satisfy the minimum criteria are not automatically included on the council's approved investment list.

## **1 Criteria to be used for creating / managing approved counterparty lists / limits**

Each counterparty included on the Council's approved lending list must meet the criteria set out below. Without the prior approval of the Council, no investment will be made in an instrument that falls outside the list below.

### **1.1 Capital security**

Table 1 sets out the minimum capital security requirements for an investment to be made.

<u>Table 1 – Minimum capital security requirements</u>	
Banks/building societies with a credit rating	The institution must have a minimum short term rating of good credit quality
Building societies that do not satisfy the minimum rating criteria above	The society must have an asset base in excess of £5 billion
Money market funds / CCLA Public Sector Deposit Fund	The rating of the fund meets the minimum requirement of triple A ('AAA' / Aaa)
Debt Management Account Deposit Facility	The deposit is made in accordance with the rules and regulations relating to such investment as issued by the Debt Management Office from time to time

### **1.2 Maximum permitted investment by sector**

Table 2 sets out the maximum permitted investment for each sector.

<u>Table 2 – Maximum permitted investment by sector</u>	
<u>Sector</u>	<u>Percentage of total investment portfolio at the time the investment made</u>
Banking sector	100%
Building society sector	75%
Local authority sector	100%
Money market funds / CCLA Public Sector Deposit Fund	100%
Debt Management Account Deposit Facility	50%
Maximum amount invested for more than 1 year	25% (excl. funds administered by external cash manager)



## 1.3 Maximum permitted investment by counterparty

### 1.3.1 General

With the exception of money market funds, CCLA Public Sector Deposit Fund and the Debt Management Account Deposit Facility, no one counterparty may have more than 25% of the relevant sector maximum at the time the investment is made.

### 1.3.2 Rated counterparties

Table 3 sets out the exposure limits and maximum periods for deposits based on various credit ratings.

<u>Table 3 – Exposure limits and maximum periods per counterparty (with rating)</u>				
	<u>A rating of at least (lowest of Fitch (F) / Moody's (M) / Standard &amp; Poor's (SP))</u>			
Short-term rating	F = F1+ M = P-1 SP = A-1+	F = F1+ M = P-1 SP = A-1+	F = F1 M = P-1 SP = A-1	F = F2 M = P-2 SP = A-2
Long-term rating	F = AA+ M = Aa1 SP = AA+	F = AA- M = Aa3 SP = AA-	F = A M = A2 SP = A	F = BBB M = Baa SP = BBB
Exposure Limit	£25m	£25m	£15m	£10m
Maximum period – fixed deposits	3 years	2 years	1 year	6 months
Maximum period – negotiable instruments	5 years	5 years	1 year	6 months

In addition, investment in money market funds and open ended investment companies with a rating of 'triple A' (i.e. AAA / Aaa) is permitted up to a value of £10 million per fund.

### 1.3.3 Exceptions

The methodology for determining exposure limits and maximum periods per counterparty will be determined in all cases by Table 3 with the following exceptions:

- The Royal Bank of Scotland is deemed to have the highest rating irrespective of the actual rating assigned to them as a result of being "part-nationalised". As a result, the limits on the amount advanced and length of investment will be £25 million and 1 year respectively.
- An additional operating limit of £2 million and an additional investment limit of £5m will be provided for the Council's provider of transactional banking services (Lloyds Bank plc). It is unavoidable that the £2.million operational limit may be breached from time to time. Officers ensure this is kept to a minimum.
- The following major UK Banks for which the highest applicable rating will be applied in place of the lowest:
  - Barclays Bank plc
  - HSBC Bank plc

- Lloyds Bank plc & Bank of Scotland plc
- Nationwide Building Society
- Santander UK plc
- The Royal Bank of Scotland plc & National Westminster Bank plc
- ***For any investment where there is a direct and legal offset against an existing financial liability, the counterparty will not be subject to assessment using the council's credit assessment as outlined in Table 3.***

Where there is a significant or sudden deterioration in one or more indicators (such as CDS prices), officers will undertake a review and, where necessary take action. This action may take the form of temporary suspension of a counterparty from the council's approved lending list, or a restriction of the maximum period and investment limits.

### 1.3.4 Non-rated counterparties

Table 4 sets out the exposure limits and maximum periods for deposits for counterparties that are not rated.

<u>Table 4 – Exposure limits and maximum periods per counterparty / fund</u> (with no rating)		
<u>Counterparty</u>	<u>Exposure Limit</u>	<u>Maximum period</u>
Local authority	£10 million	5 years
Non-rated building society with an asset base in excess of £5bn	£5 million	6 months
Debt Management Account Deposit Facility	Unlimited	6 months

### 1.3.5 Cash manager

For the purposes of investments made by the Council's external cash manager, the criteria in Table 5 will apply:

<u>Table 5 – Exposure limits and maximum periods per counterparty</u> (Cash manager)		
<u>Instrument</u>	<u>Exposure Limit</u>	<u>Maximum period</u>
Government stock	100% of Fund	10 years
Supra-national with minimum long-term rating of 'AA-' / Aa3 / AA-	100% of Fund	10 years
Regulation collective investment schemes	100% of Fund	n/a
Fixed term investments – minimum short-term rating of 'F1 / P-1 / A-1'	10% of Fund or £2.5m whichever is the greater	1 year

<u>Table 5 – Exposure limits and maximum periods per counterparty</u> <u>(Cash manager)</u>		
<u>Instrument</u>	<u>Exposure Limit</u>	<u>Maximum period</u>
Fixed term investments – minimum long-term rating of 'AA- / Aa3 / AA-'	10% of Fund or £2.5m whichever is the greater	5 years

In addition to Table 5, the maximum average duration of the fund managed by the cash manager shall not exceed 4 years. All instruments used by the cash manager with a maturity of 3 months or more shall be negotiable.

#### **1.4 Investment classification (regulatory)**

The investment guidance issued by the Secretary of State requires the council to identify investments as either 'specified' or 'non-specified'. Table 6 sets out the requirements for each type.

<u>Table 6 – Investment classification</u>		
<u>Requirement</u>	<u>Specified</u>	<u>Non-specified</u>
Currency	Must be in Sterling	Any currency
Maturity period	Up to 12 months	Over 12 months
Credit worth	Counterparty with high credit rating or UK government or local authority	Other

All investments made by the Council are denominated in Sterling and are made only in counterparties as set out in paragraph 1.3 above.

The maximum amount invested in non-specified investments will be 50% of the total value of investments. The use of non-specified investments is limited to:

- (a) investment in non-rated building societies with an asset base in excess of £5bn, or
- (b) investment for longer than 12 months with counterparties that meet the minimum long-term rating detailed in Tables 3 and 5 above.

## **2 Approved methodology for changing limits and adding / removing counterparties**

A counterparty shall be removed from the Council's list where a change in their credit rating results in a failure to meet the criteria set out above.

A new counterparty may only be added to the list with the written prior approval of the Director of Finance & Resources and only where the counterparty meets the minimum criteria set out above.

A counterparty's exposure limit will be reviewed (and changed where necessary) following notification of a change in that counterparty's credit rating or a view expressed by the credit rating agency warrants a change.

A counterparty's exposure limit will also be reviewed where information contained in the financial press or other similar publications indicates a

possible worsening in credit worth of a counterparty. The review may lead to the suspension of any counterparty where it is considered appropriate to do so by the Director of Finance & Resources.

### **3 Full individual listings of counterparties and counterparty limits**

For 2017/18, with the exception of the list of high quality AA rated Non-UK banks within AA rated countries specified below, investment by the in-house treasury team will be restricted financial institutions incorporated within the UK and regulated by the Financial Conduct Authority.

The in-house treasury team is able to invest in the following Non-UK banks:

- Australia & New Zealand Banking Group Limited (Australia)
- Bank Nederlandse Gemeenten (The Netherlands)
- Commonwealth Bank of Australia (Australia)
- DBS Bank Ltd (Singapore)
- Landwirtschaftliche Rentenbank (Germany)
- National Australia Bank (Australia)
- National Bank of Abu Dhabi (Abu Dhabi, UAE)
- Nederlandse Waterschapsbank N. V. (The Netherlands)
- Nordea (Finland)
- NRW. BANK (Germany)
- Overseas Chinese Banking Corporation Limits (Singapore)
- Royal Bank of Canada (Canada)
- Svenska Handelsbanken (Sweden)
- The Bank of New York (BNY) Mellon (USA)
- Toronto Dominion (Canada)
- United Overseas Bank Limited (Singapore)
- Wells Fargo Bank NA (USA)
- Westpac Banking Corporation (Australia)

A full list of counterparties in which the Council will invest surplus funds, together with limits and maximum investment periods is contained in Schedule 1 to this AIS.

There is no pre-determined list for investments made by the cash manager but all counterparties must meet the minimum criteria as set out in Table 5 above.

### **4 Details of credit rating agencies' services**

Credit ratings will be based on those issued periodically by the Fitch Ratings Group, Moody's and Standard & Poor's.

### **5 Permitted types of investment instrument**

All investments must be denominated in Sterling.

The in-house treasury team may invest in fixed term and variable term cash deposits, money market funds and open ended investment companies. The in-house treasury team may only invest in negotiable instruments (including Certificates of Deposit, Enhanced Cash Funds, Property Funds, Bond Funds and Corporate Bonds) where to do so offers additional value in terms of investment return and appropriate and supporting advice has been sought

from the council's external treasury advisors on the suitability of such an investment.

The cash manager may invest in government stock, supranational institutions, regulation collective investment funds and fixed term instruments. All investments with a maturity of 3 months or more shall be negotiable.

## **6 Investment risk**

### **6.1 *Assessment of credit risk***

Whilst the AIS relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for the in-house treasury team to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating watches/outlooks) will be applied to compare the relative security of differing investment counterparties.

### **6.2 *Investment risk matrix***

The weighted average benchmark risk factor for 2017/18 is recommended to be 0.05%, the same as 2016/17. This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid-year or end of year reviews.

### **6.3 *Investment advisors***

The council appoints treasury advisors through a regular competitive tendering process. One of the services provided by Capita Asset Services is the provision of updated credit ratings and "watches" issued by the three rating agencies. In addition Capita Asset Services are proactive in providing additional market information as set out in paragraph 6.1 above.

### **6.4 *Investment training***

The council's advisors have a wide-ranging programme of training giving council officers access to seminars and printed material. The council's in-house treasury team is experienced in dealing with investments but where necessary further training and updates will be provided. Appropriate training will be made available to all Members who are involved in the treasury management decision-making process.

### **6.5 *Investment of money borrowed in advance***

The council has the flexibility to borrow funds in advance of need (i.e. to fund future debt maturities). The Director of Finance & Resources may do this where, for instance, a sharp rise in interest rates is expected, and so borrowing early at fixed interest rates will be economically beneficial over the life of the loan or meet budgetary constraints.

Borrowing in advance will be undertaken within the constraints set out in the Treasury Management Strategy. The risks associated with such borrowing activity will be subject to appraisal in advance and subsequent reporting through the mid-year or end of year reviews.

## 6.6 **Investment liquidity**

Liquidity is achieved by limiting the maximum period for investment and by investing to dates where cash flow demands are known or forecast.

## 7 **Ethical investment statement**

The Council has approved the following ethical investment statement that will apply to all cash investments made by, or on behalf of, the Council

*“Brighton & Hove City Council, in making investments through its treasury management function, fully supports the ethos of socially responsible investments. We will actively seek to communicate this support to those institutions we invest in as well as those we are considering investing in by:*

- encouraging those institutions to adopt and publicise policies on socially responsible investments;*
- requesting those institutions to apply council deposits in a socially responsible manner.”*

Counterparties shall be advised of the above statement each and every time a deposit is placed with them.

## 8 **Glossary**

Long-term – period in excess of 12 months

Negotiable instrument – an investment where the council can receive back the amount invested earlier than originally agreed (subject to conditions)

Non-specified investment – see Table 6 above

Short-term – period up to and including 12 months

Specified investment – see Table 6 above

Supranational – an organisation that encompasses more than one nation, such as the World Bank

**Brighton & Hove City Council****Banks and Other Institutions - In-house Treasury Team**  
**Annual Investment Strategy 2017/18**

Counterparty	Specified/ Non- specified	Short-term			Long-term			Max amount	Max period – fixed deposits
		F = Fitch M = Moody's SP = Standard & Poor's							
		F	M	SP	F	M	SP		
Bank of Scotland / Lloyds Bank	Specified	F1	P-1	A-1	A+	A1	A	£15m	1 year
Barclays Bank plc	Specified	F1	P-1	A-2	A	A1	A-	£15m	1 year
Close Brothers	Specified	F1	P-1		A	Aa3		£15m	1 year
Clydesdale Bank	Specified	F2	P-2	A-2	BBB+	Baa2	BBB+	£10m	6 months
HSBC Bank plc	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
National Westminster Bank / Royal Bank of Scotland	Specified	F2	P-2	A-2	BBB+	A3	BBB+	£25m	1 year
Santander UK plc	Specified	F1	P-1	A-1	A	Aa3	A	£15m	1 year
Standard Chartered Bank	Specified	F1	P-1	A-1	A+	Aa3	A	£15m	1 year
Sumitomo Mitsui Banking Corporation Europe Ltd	Specified	F1	P-1	A-1	A	A1	A	£15m	1 year
Virgin Money plc	Specified	F2			BBB+			£10m	6 months
<b>BUILDING SOCIETIES (+)</b>									
Coventry (3)	Specified	F1	P-1		A	A2		£15m	1 year
Leeds (5)	Specified	F1	P-1		A-	A2		£10m	6 months
Nationwide (1)	Specified	F1	P-1	A-1	A+	Aa3	A	£15m	1 year
Principality (6)	Specified	F2	P-3		BBB+	Baa3		£10m	6 months
Skipton (4)	Specified	F1	P-2		A-	Baa2		£10m	6 months
Yorkshire (2)	Specified	F1	P-2		A-	A3		£10m	6 months
<b>NON-UK BANKS</b>									
Australia & NZ Banking Group (Australia)	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
Commonwealth Bank of Australia (Australia)	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
National Australia Bank Ltd (Australia)	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
Westpac Banking Corporation (Australia)	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£25m	2 years
Royal Bank of Canada (Canada)	Specified	F1+	P-1	A-1+	AA	Aa3	AA-	£25m	2 years
Toronto Dominion (Canada)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
Nordea bank (Finland)	Specified					Aa3		£25m	2 years
Landwirtschaftliche Renenbank (Germany)	Specified	F1+	P-1	A-1+	AAA	Aaa	AAA	£25m	3 years
NRW.BANK (Germany)	Specified	F1+	P-1	A-1+	AAA	Aa1	AA-	£25m	2 years
Bank Nederlandse Gemeenten (The Netherlands)	Specified	F1+	P-1	A-1+	AA+	Aaa	AAA	£25m	3 years

## Appendix 3

Continued overleaf...

<u>Counterparty</u>	<u>Specified/ Non- specified</u>	<u>Short-term</u>			<u>Long-term</u>			<u>Max amount</u>	<u>Max period – fixed deposits</u>
		F = Fitch M = Moody’s SP = Standard & Poor’s							
		F	M	SP	F	M	SP		
Nederlandse Waterschapsbank N. V. (The Netherlands)	Specified		P-1	A-1+		Aaa	AAA	£25m	3 years
DBS Bank Ltd (Singapore)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
Overseas Chinese Banking Corporation Limits (Singapore)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
United Overseas Bank Limited (Singapore)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	2 years
Svenska HandelsBanken AB (Sweden)	Specified	F1+	P-1	A-1+	AA	Aa2	AA-	£25m	2 years
National Bank of Abu Dhabi (UAE)	Specified	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	2 years
Bank of New York Mellon (USA)	Specified	F1+	P-1	A-1+	AA	Aa1	AA-	£25m	2 years
Wells Fargo Bank, NA (USA)	Specified	F1+	P-1	A-1+	AA	Aa1	AA-	£25m	2 years
<u>OTHER</u>									
Other Local Authorities (per Authority)	Specified							£10m	5 year
Debt Management Deposit Facility	Specified							Unlimited	6 months
Money Market Funds (per fund)	Specified							£10m	Liquid
Enhanced Cash Funds (per fund)	Specified							£10m	Liquid

(\*) Ratings as advised by Capita Asset Services February 2017

(+) UK Building Societies ranking based on Total Asset size – Source: Building Societies Association February 2017

<sup>1</sup> distinction is a requirement under the investment regulations



### ***Annual Minimum Revenue Provision (MRP) Statement***

Statutory guidance issued by the government in February 2008 requires the council to prepare an annual statement regarding the amount of debt that will be repaid in the following year.

The following statement is recommended for approval for 2017/18. Changes to the Statement approved by full Council on 23 February 2017 are annotated in **grey bold italic**:

For 2017/18 the following provision will be made in the revenue account:

- For all debt where the government has provided revenue support (supported capital expenditure), the council will provide MRP at a rate of 2% on a straight line basis, excluding any Housing Revenue Account (HRA) debt.
- For debt where the government provides no revenue support:
  - Where the debt relates to an asset, the council will set aside a sum equivalent to repaying debt over the life of that asset either in equal annual instalments or on an annuity basis, the method determined as the most financially beneficial to the council over the life of the asset;
  - Where the debt relates to expenditure which is subject to a capitalisation direction issued by the Government the council will set aside a sum equivalent to repaying debt over a period consistent with the nature of the expenditure under the annuity basis;
  - In the case of assets under construction, MRP will be delayed until the relevant asset becomes operational;
  - Where the debt relates to capital loans to a third party, the council will make MRP payments consistent with the repayment of loan instalments from the third party.
  - ***Where the debt relates to the Living Wage Joint Venture, the council will set aside in equal instalments, a sum equivalent to repaying the debt by the end of year 40 within the 60 year strategic business plan. Set aside will commence, at the latest, in the year in which net surpluses are modelled for each individual tranche of borrowing.***
- In the case of finance leases and on-balance sheet PFI contracts the MRP requirement will be regarded as met by a charge equal to the element of the lease payment or unitary charge that is applied to write down the balance sheet liability in the year.



<b>Subject:</b>	<b>Draft Revenue Budget and Capital Investment Proposals 2018/19</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Nigel Manvell James Hengeveld</b>	<b>Tel: 01273 293104 01273 291242</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report presents the draft revenue and capital budget proposals for the third year of the 4-year planning framework introduced in 2016/17 and which is aligned with the current central government spending review period and 4-year funding deal.
- 1.2 The budget proposals are still in development and therefore the aim of this report is to provide early sight of emerging proposals to enable consultation, discussion and debate in the lead up to the Budget Council in February 2018 where the final proposals will be considered by the Full Council. The proposals are based on the planning assumption of a 1.99% Council Tax increase and an additional 3% increase for the Adult Social Care precept. At this stage, the draft proposals indicate that:
- Service Pressure funding of £13.598m will be required to support increased demands and costs, primarily across adults and children's social care;
  - Savings and efficiencies, including tax base savings, totalling £12.100m have been identified to contribute to the Service Pressure funding above;
  - Including other net funding changes, there is a remaining budget gap of approximately £1.262m to be addressed to achieve a balanced budget package;
  - There are significant capital investment resources available to support investments focused on priorities for the city.
- 1.3 In 2015 the council developed 4-year plans, referred to as Integrated Service & Financial Plans (ISFPs), covering the period 2016/17 to 2019/20. These are not currently being rolled-forward beyond 2019/20 because the system and national distribution of local government funding is currently uncertain beyond that point. Some scenario planning and financial modelling is however under way, as it is vital that this longer-term financial planning continues.

- 1.4 The 4-year ISFPs are refreshed annually to ensure that they take into account a number of factors including:
- Changes, up or down, in resource and funding assumptions, estimates and announcements;
  - Changes in demography or demand predictions, particularly for social care, based on current trends and experience;
  - Changes in the cost of services compared with initial pay and inflation assumptions.

Any or all of these can increase (or decrease) the calculation of the budget gap each year and therefore the level of savings and efficiencies required to balance the budget.

- 1.5 The Comprehensive Spending Review (CSR) 2015 confirmed the continuation of deficit reduction measures up to 2019/20 and indicated that Revenue Support Grant (RSG) for this council will reduce from £46.097m to £6.523m over the 4 year period 2016/17 to 2019/20; a reduction of £39.574m. The RSG reduction in 2018/19 is £7.474m. This is a key element of the council's budget gap over the period alongside growing costs and demands.
- 1.6 Although the council has elected to apply for the government's '4 year deal', this does not mean that the council's financial position is completely stable as there are other grants and funding that can change. For example, last year saw the removal of the remainder of the Education Services Grant worth £2.895m. There was also a major revaluation of non-domestic rateable values affecting the Business Rate tax base and yield. The effect of this revaluation and changes to various associated reliefs is difficult to estimate with accuracy, so affecting forward planning.
- 1.7 This report provides draft proposals to meet the estimated savings requirement of £13.362m in 2018/19 along with outline proposals for 2019/20. As before, proposals also identify investment requirements in order to achieve the proposed savings, as well as deliver priority improvements; these will be supported by one-off resources subject to the approval of business cases.
- 1.8 It should be noted that the draft proposals do not meet the budget gap in full and there is a shortfall of £1.262m for which further options are being considered as set out in paragraph 5.4.
- 1.9 The feedback from further consultation and engagement following publication of these draft proposals will be used to adapt the proposals which will be re-submitted to Policy, Resources & Growth Committee on 8 February 2018 prior to a final decision by Budget Council on 22 February 2018.
- 1.10 Further information from the government's Autumn Budget, scheduled for the week before this Committee, and the subsequent Local Government Finance Settlement, may also affect the proposals.

## **2. RECOMMENDATIONS:**

That the Policy, Resources & Growth Committee:

- 2.1 Notes the updated forecasts for resources and expenditure and an estimated budget gap for 2018/19 based on a 1.99% Council Tax increase and an additional 3% Adult Social Care precept.
- 2.2 Note the Budget, Investment & Efficiency Strategy approach to meeting the financial challenge next year and over the life of this parliament.
- 2.3 Notes the refreshed 4 year Integrated Service & Financial Plans (ISFPs) including detailed draft proposals for savings in 2018/19 toward meeting the identified budget gap.
- 2.4 Directs that all of the draft savings proposals identified at Appendix 2 be subject to further consultation and engagement with relevant stakeholders and across the council, meeting statutory consultation requirements where required.
- 2.5 Notes the update on the HRA budget set out in paragraph 6.4 to 6.7.
- 2.6 Notes the Capital Investment Programme update set out in paragraphs 4.10 to 4.16.
- 2.7 Receive and note the Equality Impact Assessments undertaken in relation to the draft budget proposals.
- 2.8 Notes that subsequent decisions and information from central government may impact on the proposals in this report.

## **3. RESOURCES AND LOCAL GOVERNMENT FINANCE SETTLEMENT FOR 2018/19 AND THE 4 YEAR OFFER**

### **Local Government Finance Settlement and Tax base Forecasts**

- 3.1 As part of the provisional local government finance settlement (LGFS) announced on the 17 December 2015, the Secretary of State for Communities and Local Government announced a 4-year funding offer for local authorities for the period 2016/17 to 2019/20. The settlement provided indicative resources over the period and the offer is to provide these resources as minimum funding levels, however, the government has stated it could amend the offer depending on the national financial position as well as changes to responsibilities of local authorities. The allocations of funding for 2016/17 and 2017/18 were in line with the 4 year deal and financial projections are based on the indicative allocations for the remaining two years. The provisional LGFS for 2018/19 is due to be announced in early December 2017.
- 3.2 A major element of the settlement is the assumed resources the council will retain from its 49% share of local Business Rates income. Business Rates were revalued from 2017 for the first time since 2010 and the new rating list applies from 1 April 2017. The revaluation is fiscally neutral nationally but caused significant distributional change among local authorities which was dealt with by changes to the top-up and tariffs mechanism. This adjustment was based on the draft 2017 list and will be updated to account for the final compiled list as at 1 April 2017. A number of high value rateable values reduced significantly between the draft and final list and the council expects the tariff payment to reduce by £0.4m to £1.1m although the loss of business rates income from changes to the

rating list exceed this gain in 2017/18. Overall, a deficit of £0.644m is projected for 2017/18.

- 3.3 The government has not included the introduction of 100% retained business rates in its parliamentary agenda for the next 2 years, however local authorities were invited to pilot 100% retention of business rates in 2018/19 but only as part of a pooling arrangement. As the council had no existing plans to be part of a pooling arrangement, having identified no local partners for whom the potential benefits of pooling would align, the council has not applied to be a pilot authority.
- 3.4 In September the government published a consultation on the 2018/19 LGFS. This was a technical consultation covering council tax referendum principles (unchanged) and proposals to make further changes to the new homes bonus scheme. The outcome of this consultation is still awaited and is expected alongside the provisional LGFS.
- 3.5 The final Council Tax Base and Business Rates forecasts for 2018/19 will be presented in separate reports to this committee in January 2018. The current estimated council tax base assumes a net 1.4% increase in 2018/19. This is mainly from an increase in the ultimate collection rate highlighted in the July Budget report to this committee and the continued reduction in all ages of Council Tax Reduction claimants. Business Rates increase by the September Retail Price Index each year and this is 3.9% for 2018/19 as was assumed in the Medium Term Financial Strategy. The estimated business rates retained for 2018/19 remains unchanged at this stage.

#### **Latest Position in 2017/18**

- 3.6 Targeted Budget Management (TBM) is the council's system of budget monitoring and the TBM Month 7 report elsewhere on the agenda shows a projected overspend of £1.270m on the General Fund, which includes a projected overspend of £0.190m on the council's share of NHS controlled s75 partnership services. The overall overspend shows an improvement of £0.408m since Month 5 as presented to the Committee in October. The report highlights the need for mitigating actions across the council to reduce the overspend further.
- 3.7 Resources need to be set aside to cover this overspend to avoid impacting on the 2018/19 position if breakeven cannot be achieved by the year-end. Table 1 in the reserves and one-off funding section shows what impact this has on one-off resources at this time. The council has remaining risk provisions of £1.384m available to mitigate the position. Preliminary consideration of the impact of the in-year overspend on the service pressures requirements for 2017/18 and the deliverability of the savings proposals has been undertaken, however this will need further review at Month 9 when the final budget proposals are put forward for decision.
- 3.8 The council's share of the net surplus on the Council Tax and Business Rates collection funds is forecast to be £1.289m in 2017/18 and this will be available to support the 2018/19 budget.

## Reserves Position and one-off funding

- 3.9 The working balance is recommended to continue at a minimum of £9m to meet general risks applicable to a unitary authority. However, the proposed change to managing financial risk set out in the July Budget report provides a financial risk safety net of £1.5m to replace recurrent risk provisions and therefore the planning assumption for 2018/19 is a working balance of £10.5m. There are no unallocated general reserves as these were either included as part of the budget set for 2017/18, or allocated in the TBM Month 2 report.
- 3.10 The following table identifies potential resources and liabilities that will need to be taken into account in setting the 2018/19 budget. This assumes that spending in 2017/18 is in line with the TBM Month 7 report projections included elsewhere on this agenda.

<b>Table 1 – One-off resources, liabilities and potential allocations</b>		<b>£m</b>
<b>Revenue Budget position 2017/18 (TBM):</b>		
Forecast outturn overspend reported for TBM month 7		-1.270
Less original 2017/18 risk provision		+1.500
Allocation of risk provision to fund care leavers council tax discount		-0.066
Allocation of risk provision for communal bin rounds		-0.050
<b>Projected Net Position at year-end 2017/18</b>		<b>+0.114</b>
<b>In-year Collection Fund<sup>1</sup> position 2017/18:</b>		
Brought forward 2016/17 additional council tax collection fund surplus		+0.882
Brought forward 2016/17 additional business rate collection fund deficit		-0.052
Estimated 2017/18 council tax collection fund surplus (Month 7)		+1.103
Estimated business rates retention collection fund 2017/18 deficit (Month 7)		-0.644
New Homes Bonus Returned funding 2018/19		TBC
<b>Total Projected One-off Resources Available at start of 2018/19</b>		<b>+1.403</b>
<b>Potential One-off Allocations 2018/19:</b>		
Creation of new one-off financial risk safety net for 2018/19		-1.500
Year 2 of Poverty Proofing the school day		-0.075
Earmark resources for 2019 local elections		-0.270
Welfare Reform support in 2018/19		-0.400
Delay of service savings in Revenues & Benefits from Universal Credit		-0.155
Potential planning appeals costs (Ovingdean)		-0.150
Delay of Public Health substance misuse savings until 2019/20		-0.350
Potential one off funding to support rough sleeping initiatives		-0.165
Additional one off costs in City Clean due to timing of bank holidays		-0.065
One-off funding to smooth the impact of teachers pay increase		-0.100
<b>Current shortfall of one off resources</b>		<b>-1.827</b>

<sup>1</sup> Collection Funds are separate accounts where taxation received from the Council Tax and Business Rates are allocated and compared to the expected tax yield for the year.

- 3.11 Table 1 shows an estimated shortfall in resources of £1.827m based on the current TBM and collection funds positions. This position will be updated for the February budget report. The main factors expected to affect the position are:
- The latest TBM position which will be updated for month 9 – any improvement to the current overspend forecast will reduce the one-off resources shortfall and vice versa;
  - Confirmation of any allocation of New Homes Bonus Returned funding for 2018/19 (£0.131m was received in 2017/18);
  - A comprehensive review of reserves and provisions which is undertaken annually as part of the budget process. Last year, the review of reserves released one-off funding of £0.593m to support the 2017/18 budget;
  - Further review of in-year Collection Fund (tax yield) performance. Any further improvement will reduce the shortfall and vice versa.

### **Fees and Charges**

- 3.12 As agreed by this Committee in July, the budget assumes a standard 2% increase in fees and charges with the exception of penalty charge notices (parking fines) where the levels of fines are set by government and cannot be changed independently. Any proposals to increase charges over and above those assumptions will therefore contribute to closing the budget gap. Charges are agreed by the relevant service committees and the details of the relevant meetings are set out in Table 5 under the section on Community Engagement & Consultation.
- 3.13 The Council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either the standard rate of inflation, statutory increases, or actual increases in the costs of providing the service as applicable. Non-statutory increases above the standard rate of inflation and/or changes to concessions or subsidies are reported to and considered at the relevant service committee as noted above.
- 3.14 The reduction of central government funding over recent years effectively requires fee-earning services to move toward self-financing to ensure that other resources can be applied to meeting the growth in costs and demands on demand-led service areas such as social care. A blanket increase to all fees & charges is not appropriate but services have been tasked with exploring opportunities to increase income from fees and charges where this is reasonable and comparable. It should also be noted that, nationally, inflation is running ahead of the corporately applied rate of inflation.
- 3.15 In order to increase income from fees and charges in line with this objective, they must be reviewed in accordance with any regulations governing the service area. All services are following the approach below for reviewing fees and charges:
- Using benchmarking and/or other comparative information to assess where current fees and charges are set in relation to comparable services and, where lower, move (increase) toward the benchmark as far as practicable and reasonable;



- Understand demand elasticity by undertaking market research on what the market will bear before problems arise (e.g. reduction of service take-up);
  - Assess the potential impact of financial exclusion of people from services. For example, in order to achieve an increase without excluding groups of people, thresholds, means tests and/or concession policies may need to be considered;
  - Assess the potential for differential service offers, again, to avoid financially excluding groups of people from services. This might be similar to the current approach in Life Events where basic Welfare Funerals are offered at an affordable price whilst more comprehensive funeral services are offered at higher prices.
- 3.16 All fees and charges proposals will ultimately come forward to the relevant service committee for consideration. Where not agreed, the decision may be referred to Budget Council if the loss of the saving associated with the proposals would have a significant impact on the overall budget package.

### **Cost, Income and Demand Pressures**

- 3.17 The July 2017 budget projections for 2018/19 included total service pressure funding of £11.879m comprising:
- £5.000m for council-wide service pressures (mainly social care);
  - £1.050m for unringfenced grant reductions;
  - £3.875m specifically for cost pressures in Adult Social Care and Learning Disabilities funded from resources expected to be raised through the Adult Social Care Precept; and
  - a further £1.954m Adult Social Care pressures funded from the improved Better Care Fund (iBCF) as part of the 4 year deal.
- 3.18 However, these assumptions have now been revised to take account of the underlying pressures experienced in the current financial year, in particular for Adults and Children's social care. The total cost, income and demand pressures above standard inflation are now estimated to be £13.598m, adding £1.719m to the predicted budget gap. This estimate will be further reviewed in light of TBM Month 9 budget monitoring, any outcome from national pay negotiations, and funding announcements from the Local Government Finance Settlement.

<b>Table 2 – Draft Service Pressures identified for 2018/19</b>		
<b>Service Area</b>	<b>£m</b>	<b>Comment</b>
Children's Social Care	3.116	To support increasing demand and costs of Looked After Children
Adults Learning Disabilities	2.512	To support increased costs in community care and sleep-in costs
Adult Social Care	0.913	Increased costs due to Living Wage increases
Adult Social Care	1.499	Changes in demand for physical, memory & cognition, and mental Health services
Adult social Care	1.098	Other pressures including reductions in income, and increasing costs of the Community Equipment Service
Public Health	0.651	Reduction in ringfenced grant and impact of one off savings in 2017/18

Business Rates	0.347	Increased business rates costs from revaluation and loss of transitional relief for council-owned car parks and corporate landlord buildings
Commercial rents	0.200	Underlying pressure on rental income as lease reviews and renewals have not kept up with inflation
Communal Refuse Collection	0.120	Full-year effect of additional posts to support meeting collection targets
Grounds Maintenance works to Cemeteries	0.100	Provide permanent funding to meet service requirement
Waste disposal (PFI)	0.125	Increased costs of contract from increased waste (increased properties)
Community Grants	0.208	As recommended in the July TBM Month 2 report to this committee
Trade Union Facilities time	0.050	Pressure recognising increased support for new delivery models (e.g. Orbis, Royal Pavilion & Museums, Learning Disability), impact of modernisation, and general level of organisational change and restructuring.
Bereavement Services	0.200	Reduction in income from cremation and burial fees
Members allowances	0.043	The recommendation of the Independent Remuneration Panel (IRP), if supported by this committee and full Council would mean that the 2017/18 saving on the costs of allowances cannot be met.
Software Maintenance	0.025	Ongoing maintenance costs supporting the iCase Information system
HR and Legal Services	0.091	Increased demand for services including supporting governance arrangements, alternative models of service delivery, and health and social care integration.
Pay settlement provision above 1%	1.250	Subject to national pay negotiations but considered to be a prudent estimate.
Reductions in unringfenced grants	1.050	Includes the loss of Education Services Grant (£0.863m) transitional funding.
<b>Total Draft Pressures</b>	<b>13.598</b>	
Resources as at July	11.879	
<b>Increase since July</b>	<b>1.719</b>	<b>This increases the budget gap</b>

- 3.19 It is also worth noting that other multi-year one-off funding will also be deployed to manage service pressures in 2018/19. These are as follows:

<b>Other funding to support budget pressures</b>		
Improved Better Care Fund (iBCF) from the Spring Budget 2017	3.483	One-off ringfenced funding to support Adult Social Care pressures, enable further integration with health and support hospital discharge. This money reduces to £1.7m in 2019/20 with no announcements beyond this.
Net increase in Flexible Homeless Support Grant	1.350	One-off ringfenced funding which will support Temporary Accommodation pressures during

		transition of this service. No allocations announced for 2019/20 but expect this additional funding to end.
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- 3.20 The final treatment of pressure funding will be included in the budget report to this committee in February when the overall resource position is known, including the TBM month 9 2017/18 position.

### **Changes in budget commitments**

- 3.21 Since the July Budget update report to this Committee there have been some minor changes to commitments included in the budget. The latest estimate for the Sussex Inshore Fisheries and Conservation Area levy is expected to increase by £0.008m compared to the budget assumption, and the estimated cost of providing the care leavers council tax discount has increased from £0.050m to £0.070m based on the current year's awards.

## **4. BUDGET, INVESTMENT & EFFICIENCY STRATEGY**

- 4.1 The council is in the second year of its current 4-year plan which will see savings of around £44m being achieved by the end of 2017/18. The remaining 2 years (2018/19 and 2019/20) will continue to be challenging as demands and costs across social care escalate in common with the national picture. Although estimated additional recurrent funding of £7.063m is available through the Improved Better Care Fund and the Adult Social Care precept, these are negated by the reduction in the Revenue Support Grant of £7.474m. One-off Improved Better Care resources have also been provided to help local authorities move toward greater integration with Health and to manage the pressures on hospital discharge.
- 4.2 Taking all funding sources, inflationary cost pressures and demand projections into account, an overall budget gap of £23.392m is predicted between 2018/19 and 2019/20 requiring savings at this level to legally balance the budget. The 2018/19 budget to be approved by Council in February is estimated to require savings of £13.362m to achieve balance.
- 4.3 Given the high level of savings that have had to be found in recent years, identifying further savings opportunities becomes increasingly difficult without having any adverse impacts on essential services that many vulnerable residents rely on for support. The council must also find the money to continue to provide good quality public services such as refuse collection and recycling and continue to support the city's important community & voluntary sector.
- 4.4 The financial situation is very challenging and therefore the development of the draft budget has focused on 3 guiding principles. As far as possible, the proposed Budget, Investment & Efficiency Strategy will attempt to:
- ❖ **Get basic services right and invest in making the city an enjoyable place to live and work;**
  - ❖ **Protect provision for vulnerable people as the city's population grows and the cost of care rises;**
  - ❖ **Support and invest in economic growth and regeneration that benefits everyone.**

4.5 To achieve this, the Local Authority will make every effort to continue to reduce costs and make economies in order to protect vital services. Similarly, fees and charges will be set at levels that are reasonable but which will also enable the council to fund vital services that support vulnerable people, contribute to the visitor and business economies and ensure the city and its environment are safe and well run. There are difficult choices to be made and this budget will necessarily contain higher risks and ambitious assumptions in order to protect critical service areas that, if reduced, would lead to potential harm and/or higher long term costs.

4.6 The proposed 2018/19 budget will:

**Get basic services right:**

To support delivery of the proposals the council has adopted a number of approaches that will help it to keep costs down while investing in the provision of modern, efficient and accessible services that promote neighbourhoods and regeneration as follows:

- **Modernisation Programme:** The council is investing in the modernisation of its services and is exploring different models of service delivery to improve efficiency, value for money, and outcomes for residents. Areas where modernisation is helping to reduce or contain costs or improve services include:
  - Communities and Neighbourhood programmes: These programmes put communities at the heart of service delivery, make effective use of local resources and support the delivery of savings. The communities and neighbourhood programmes are part of a joined-up approach to improving resident and customer experience of council services, including more digital access, more co-ordinated responses to residents' issues and more community collaboration to develop solutions and resources.
  - The Digital First investment programme which is a £5.300m scheme aimed at improving the council's on-line services and accessibility across a wide range of services used by large numbers of residents, visitors, businesses and service users;
  - The Orbis Shared Service Partnership with East Sussex and Surrey County Councils which is bringing together support functions such as Finance, Human Resources, IT & Digital Services, Property, Procurement and Audit to create economies of scale and provide added resilience as cost reductions are made;
  - New delivery models for some of our services, for example, the Royal Pavilion & Museums charitable trust, roll-out of the Libraries Extra service model and continuing to explore options for future management of our parks and open spaces.
  - Modernisation through the 4-Year Integrated Service & Financial Plans and other initiatives such as those above requires substantial one-off funding of £24.5m over the 4 year period to achieve delivery within a reasonable timeframe. The details of the capital funding and the associated use of the government's capital flexibilities are set out in the Capital Programme section below (see para 4.16).
- **Self-financing:** For many services that the council provides, fees and charges can be reasonably levied on the users of those services. Some

charges are set by statute or are prescribed but many are subject to local decision. The council keeps its fees and charges under regular review and where appropriate will look to move services toward a self-financing model, particularly where they are discretionary. This will also include benchmarking fees and charges to ensure they are reasonable and are recovering costs and contributing to overheads.

- **Income Generation:** The council is also exploring innovative business opportunities for generating income such as developing new commercial services.
- **Procurement and Contract Management:** The council will invest additional one-off resources of £1.200m over 3 years to drive value in the £300m+ spent on services provided by third party suppliers and providers by improving its management of contracts and contractors and seeking economies through re-procurement of goods and services.
- **Management Spans & Accountability (MSA):** The council recognises that effective management of services is critical to ensure that they are well-run, have good operational plans and can plan ahead for changes and improvements. Managers ensure that services manage within budget and are organised to meet performance targets and standards, and continue to seek improved value for money and customer satisfaction. The council has used its MSA programme to test its management levels and ensure that its management resource is reasonable, with sensible 'spans of control' and the minimum safe number of management layers. All service improvements and redesigns, including those within Orbis, continue to consider management and administrative costs and there are further savings proposed in 2018/19 which will see the deletion of approximately 22 full time equivalent management grade posts saving approximately £1.5m.

#### **Protect provision for vulnerable people:**

- **Service Pressures across social care:** The proposed budget will provide substantial 'Service Pressure' funding to protect services for vulnerable people so that they can meet the increasingly complex needs of a growing demographic and support the health and social care system as follows:
  - £3.510m for Adult Social Care services;
  - £2.512m for Adult Learning Disability services;
  - £3.116m for Children's Social Care placements.
- **Protecting Services:** The proposed budget will enable provision and support for many services to be protected, including:
  - Children's Centres
  - Support for Care Leavers
  - Early Years Nurseries
  - Youth Services
  - Support for Carers
  - Community & Voluntary Sector services through protection of the Third Sector Investment Programme
  - Library buildings and services
  - Supported Bus and School Routes
- **Welfare Support and Advice:** It is proposed to provide further support for vulnerable people and families on low incomes by:

- Continuing to provide discretionary funds to help those suffering temporary hardships;
  - Providing Council Tax discounts for Care Leavers;
  - Providing substantial resources to support around 600 families expected to be affected by Welfare Reforms including help to move to sustainable tenancies, provision of benefit advice and support services, and a Local Discretionary Social Fund;
  - Continuing to support the Community Banking Partnership and the local East Sussex Credit Union to provide accessible banking services and money advice, particularly in relation to Universal Credit roll-out;
  - Holding the Council Tax Reduction Scheme minimum contribution rate at the current level for working age people and providing discretionary funds for those in temporary hardship.
- **Continue to focus on tackling homelessness:**
    - A night shelter has been put in place for this Winter, and £0.165m one-off funding will be provided to support Rough Sleeping initiatives next year
    - Preventive homelessness initiatives are being mainstreamed through the application of the successful £1.300m bid for Trailblazer funding
    - Preparing for Homelessness Reduction Act
    - Providing new council-owned temporary accommodation facilities
  - **Health & Social Care Integration:** The council will continue to engage fully with the Brighton & Hove Caring Together initiative including developing integrated commissioning with the Brighton & Hove Clinical Commissioning Group (CCG), working jointly on delivery of the Better Care Programme to minimise hospital discharge delays, and understanding the implications of the Sustainability & Transformation Partnership plans for the area.
  - **Social Care costs:** The council will be investing in improvements to its commissioning, brokerage and risk management of children and adults social care placements. This is to ensure that it is effectively managing the costs of social care and is doing everything possible to make sure that it is paying appropriate prices for care whilst delivering high quality services and that it has robust systems in place for ensuring appropriate scrutiny and review of care placements at regular intervals.
  - **Public Health:** Reductions in the Public Health grant will be managed by recommissioning and redesigning contracted services to achieve positive preventive outcomes.

#### **Support and invest in economic growth and regeneration:**

- **Regeneration Programme:** This is aimed at growing the economy through the Greater Brighton Economic Partnership and long term capital investment opportunities through major regeneration programmes which will renew and strengthen the infrastructure of the city. There are various strands to the programme including:
  - Drawing in private sector investment to create jobs and ensure that economic gains are fairly distributed;

- Maintaining a resilient Planning Service to safeguard development and play an important role in the delivery of the regeneration projects;
- Implementing and jointly financing with Hyde Housing the Housing Joint Venture to deliver affordable housing;
- Making the most of our city-wide commercial asset portfolio to generate long term revenues for the council to protect essential public services.

4.7 The budget strategy will be mindful of the need to support equalities and will be underpinned by impact assessments and meaningful engagement and consultation with people, partners and other stakeholders affected by changes to services.

### **Investing in the City**

4.8 The budget will be supported by substantial capital investment made possible by reducing the use of administrative buildings and releasing other land and property for major regeneration and housing projects. These have provided substantial additional capital receipts that the council can apply to regeneration and priority capital investments but can also apply to revenue costs, using the government's capital flexibility rules, where these costs support achievement of ongoing efficiencies, revenue saving or cost avoidance.

4.9 The July Policy, Resources & Growth committee identified additional available resources of £7.5m but there is also an expected additional receipt from the Preston Barracks development of a minimum of £3.7m which has been earmarked for potential regeneration schemes. The available resources will be used to provide major investment in support of the 3 guiding principles. These are still early estimates at this stage of the budget process and final options and proposals will be firmed up over the winter period and set out in the final Budget, Investment & Efficiency Strategy to Budget Council in February 2018. At this stage these include:

#### **Investment - Getting the basics right:**

- **Parks Investment Fund: (£0.200m)** It is proposed to provide resources for park area improvements to support improved neighbourhoods and wellbeing.
- **Citywide Street Investment: (£0.750m):** Investment in street scene improvements including a further roll-out of the successful Big Belly Bins and provision for repairs and replacements e.g. broken bins, paving, etc. which will contribute to an improved look and feel to the city and support the visitor economy.
- **Hove Station Footbridge: (£0.500m)** This is a potential investment requirement that needs further exploration but the need for improvement of the footbridge is long overdue and may require support from council resources. The improvement would benefit the station area and the city.
- **Re-location of Stanmer Park depot: (min. £0.400m)** This investment supports the current plans for the depot and will support relocation of the service, which in turn supports investment in our parks and heritage buildings as part of the Stanmer Park Masterplan. This is also expected to support

savings on maintenance and utility costs in the longer term.

- Building security: (£0.200m)  
The council has identified an immediate need to invest in improved building security which will reduce security costs in the longer term.
- Improving IT Infrastructure and Security: (£1.144m)  
The council needs to urgently augment its investment in IT infrastructure and software to manage demands, improve security and meet the requirements of the forthcoming General Data Protection Regulations. The 2019/20 ICT Fund will be brought forward and increased to cover this investment, which will ensure the council avoids potential data breach penalties and reputational harm.

#### **Investment - Protecting vulnerable people:**

- Replacement of the social care IT system: (Approved £2.5m)  
The council must replace its soon-to-be unsupported IT system with a secure, modern, web based system that can support improved mobile and flexible working for staff, support services for residents, and create greater efficiencies and digital access services. This investment was approved by the committee in October 2017.
- Credit Union loan: (£0.100m)  
Further investment with the East Sussex Credit Union will provide support for financially vulnerable people and supplement the council's financial inclusion approach. This may have indirect benefits for the council's budget by helping to maintain people's financial stability.

#### **Investing in an Economy that Benefits All:**

- Madeira Terraces (min. £1m)  
An appropriate level of match-funding support to the Heritage Lottery Fund bid and crowd-funding initiative is proposed to support this important renovation that will benefit residents and the visitor economy.
- Royal Pavilion Estate (phase 2) (min. £1m)  
This capital project is dependent on various funding streams but a capital injection from the council is likely to be required and will support the current business case for the transfer of operations to a charitable trust.
- Economic development & regeneration project support: (£0.200m)  
Additional project resources are proposed to support the high number of current and planned projects to ensure these can be implemented at pace for the benefit of the city economy.
- Shelter Hall: (min. £1m)  
Significant additional costs of around £4m have been identified as the Shelter Hall project has progressed and it is proposed to minimise additional borrowing costs by funding up to £1m



toward this important development from available capital resources.

- Brighton Town Hall:  
(min. £1.5m)

This supports investment in an innovative scheme previously reported to the committee. The overall scheme cost may be between £8m to £10m. The proposed investment from capital receipts would reduce the borrowing requirement and make for a more robust and deliverable business case based on current projected rentals and revenues. However, the full business case is still subject to confirmation.

- Social Enterprise  
(£0.030m)

A modest investment is proposed to support development of local social enterprises where priorities align with the council's.

### **Capital Programme**

- 4.10 The additional investments above will be incorporated into a full Capital Programme alongside current and perennial capital investments that will also support regeneration, improved transport infrastructure, provision for school places, and major housing improvements and new build programmes.
- 4.11 As previously, a 10-year capital programme has been developed and included in the Medium Term Financial Strategy. A detailed Capital Investment Programme will be presented to Policy, Resources & Growth Committee and Budget Council in February prioritising the resources available and incorporating the additional investments identified above. The programme will be a fully funded capital investment programme.
- 4.12 The capital programme identifies longer term capital investment plans as well as a funding strategy and the potential outcomes for each investment plan. This includes major investment requirements such as new pupil places, investment in the seafront infrastructure and partnership investment through major projects such as Brighton Waterfront, King Alfred and the Housing Joint Venture. The programme also includes Heritage Lottery Fund bids such as the Stanmer Park Master Plan and the Royal Pavilion Estates Regeneration. Successful bids for government funding through the City Deal will support the development of New England House, Circus Street, Preston Barracks and transport initiatives such as Valley Gardens Phase 1 & 2 and the Intelligent Transport System.
- 4.13 The projected capital programme and resources for the next 10 years are included in the table in Appendix 3. Investment in ICT had increased from £0.5m per year to £2.0m over the 3 year period for 2016/17 to 2018/19 to support the Digital First programme with future years reverting back to £0.5m. This element was revised at Budget Council 2017 to £1.3m for the final year 2018/19.
- 4.14 Grant funding is provided to the council as a Single Capital Pot and, with the exception of Devolved Schools Capital Grant, can be prioritised as the council sees fit. Unringfenced government grants for education, transport and health are projected to be £9.7m in 2018/19 but are subject to confirmation from the

Government in December 2017. There are no further tranches of education new pupil places grant awarded to the council for 2018/19 and 2019/20. There are no announcements of education maintenance grant to date and estimates have been included into the current strategy. Indicative allocations for the Local Transport Plan (LTP) have been announced of £5.169m up to and including 2020/21 and £0.2m Incentive Funding to support transport asset management. Adult Social Care Grant has been estimated at £1.500m annually to support both Better Care Funding and Disabled Facilities Grant; these have yet to be confirmed by Government.

- 4.15 Capital receipts support the Capital Investment Programme and include receipts from the disposal of Patcham Court Farm, land at the Cliff, Preston Barracks, Hollingbury Library, the land at the Cliff, lease at Shoreham Airport and a number of non-core rural assets to support the Stanmer Park redevelopment project. Ringfenced capital receipts are also projected to support property commercial reinvestment, the Waterfront project and the HRA Capital Investment Programme. The Capital programme included in appendix 3 has a fully funded capital programme for 2018/19 and the programme will be updated for any funding announcements and the latest position at TBM month 9 when it is presented to this committee in February 2018.
- 4.16 The implementation of the 4 year Integrated Service & Financial Plans and Modernisation Programme (see above) requires significant investment and therefore capital receipts have been earmarked to support implementation within reasonable timeframes over the period. This will make use of the government's capital flexibilities provided as part of the 4-year deal which enables capital funding to be used to provide resources to support efficiency, savings and cost avoidance initiatives. In summary, resources of £24.5m were anticipated to be required over the period as follows:
  - **4-Year Integrated Service & Financial Plans (ISFPs):** it was anticipated that £6.8m would be required to support implementation of specific service changes, recommissioning and redesigns (including Orbis) identified in the ISFPs. For 2018/19 investment requirements are currently being reviewed and finalised. This resource is held in a reserve and only released through approval of business cases by the Corporate Modernisation Delivery Board.
  - **Digital First:** Originally, £6m was identified to support this important investment to improve the council's web presence and the accessibility and efficiency of on-line services. This was reduced to £5.3m by Budget Council in February 2018 with £0.7m being transferred to support a business case for increased Procurement & Contract Management resources (see below).
  - **Modernisation Resources:** effective implementation requires good project management support and the co-ordination, tracking and planning of a wide range of activities from legal support to consultation and engagement activities. Business Process review and analysis skills are also required as well as augmentation of the council's Procurement and Contract Management team to help drive out savings. As noted above, £0.7m was diverted from the Digital First Programme to support the latter, bringing investment in Procurement & Contract Management up to £1.2m over the 4 years. Overall, it is anticipated that £5.3m will be required over the 4-year period to support modernisation.

- **Managing staffing changes:** managing changes in the level of staffing needs consideration with a substantial number of posts expected to be deleted from the council's staffing over the 4 year period. This will happen through a mixture of normal turnover, redeployments and voluntary severance. This will inevitably need resourcing and an estimated £7.1m will need to be set aside in the Restructure & Redundancy reserve over the 4 year period to manage change and transfers.

With the exception of Digital First which was approved separately, the above indicative allocations were included in the budget agreed at Budget Council in February 2017. Revised estimates are being prepared in light of the updated ISFP's and these will be included in the budget report to this committee in February 2018. This is expected to change the overall requirement and the profile (across years).

### **Staffing Implications** (*General Fund Services*)

- 4.17 At this stage in the budget process it is difficult to determine exactly how many staff may be affected by the proposals. A broad estimate is that in 2018/19, 80 to 90 posts may be removed from the council's staffing structure as a result of the savings proposals set out in Appendix 2. However, actual numbers will be dependent on the detailed options proposed and on the results of formal consultation where required. As previously experienced, it is likely that the majority of these posts are already being held vacant and some will become vacant through normal turnover.
- 4.18 In addition to the posts mentioned above, the transfer of some services to alternative models of delivery may result in the TUPE transfer of some staff to other organisations. The proposals for 2018/19 currently include the transfer of an estimated 118.5 posts to a Royal Pavilion & Museums charitable trust. Close working with future providers of services will ensure that staff are fully engaged and consulted with as they move into other organisations.
- 4.19 It is planned to support staff at risk of redundancy through:
- Providing appropriate support to staff throughout the change process to enable them to maximise any opportunities available;
  - Controlling recruitment and ensuring there is a clear business case for any recruitment activity;
  - Managing redeployment at a corporate level and maximising the opportunities for movement across the organisation;
  - Managing the use of temporary or agency resources via regular reports to DMT's.

These measures will remain in place as work with trade unions and staff continues.

- 4.20 Whilst the focus will be on redeployment of staff, every effort will be made to reduce the impact of the proposals, including offering voluntary severance where appropriate to staff affected by budget proposals on a case by case basis. This targeted voluntary approach to releasing staff in areas undergoing change will be

managed to support service redesigns, whilst ensuring that the organisation retains the skills that will be needed into the future.

## 5. BUDGET GAP (SAVINGS REQUIREMENT)

- 5.1 The Medium Term Financial Strategy has been revised to reflect the latest cost pressure assumptions and identifies a projected £23.392m budget gap over the next 2 years assuming a 1.99% council tax increase and 3% additional Adult Social Care Precept in 2018/19. The projected gap for 2017/18 is £13.362m. These projections are subject to change once the Local Government Finance Settlement is known. The Table below shows how the budget is expected to change from 2017/18.

<b>Table 3 - Breakdown of Budget Gaps</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>
Pay and standard inflation	5,113	5,877
Cost, income and demand pressures	12,548	8,032
Other budget changes	(11)	(4,200)
Reductions in RSG and unringfenced Grants	8,524	7,791
Inflationary increase on fees and charges	(1,976)	(2,015)
Adult Social Care Precept	(3,875)	
Additional Council Tax and BRR Income	(6,961)	(5,455)
<b>Budget Gap (Savings Requirement)</b>	<b>13,362</b>	<b>10,030</b>
Savings identified	(11,793)	(7,861)
Tax base savings identified for 2017/18	(307)	(307)
<b>Remaining gap</b>	<b>1,262</b>	<b>1,862</b>

- 5.2 The information above covers to the end of the current 4-year plan period, however, the Budget Report to this committee in February 2018 will include an updated Medium Term Financial Strategy which will contain longer term financial planning assumptions and resource projections up to the financial year 2021/22. Projections from 2020/21 onward are clearly subject to change given the uncertainties over local government funding and key elements of the budget.

### Further actions to meet the remaining gap

- 5.3 In common with previous years, draft savings proposals to close the gap and achieve a balanced budget have been developed across the whole council by challenging all areas of spend to identify potential savings opportunities. Savings opportunities include the following:
- Modernising council services through redesign and restructure to achieve further efficiencies and economies including through digital service developments;

- Recommissioning or re-procuring externally provided or contracted services to identify cost efficiencies;
- Exploring innovative income generation opportunities;
- Benchmarking fees & charges to maximise income where appropriate;
- Exploring different ways of delivering or commissioning services, often with other partners or sectors, to reduce overall costs while continuing to deliver outcomes for residents and meet statutory duties.

Proposals are based on what can be reasonably delivered and achieved within an acceptable level of delivery risk.

5.4 The proposals presented to date do not currently close the budget gap. There remains an imbalance of approximately £1.262m. Further options are therefore being explored including:

- Further procurement and contract management savings in addition to the £0.5m target assumed;
- Increased investment in managing social care costs as detailed above;
- Exploring further Fees and Charges opportunities where this can generate additional income after taking account of any impact on demand for services;
- Funding or financing switches to ease pressures on the revenue budget e.g. borrowing versus revenue spending where allowable. This can spread expenditure over a longer time frame to ease short term revenue budget pressures.

## **6. OTHER FUNDS**

### **Schools Funding and Balances**

6.1 Schools carried forward £1.293m into 2017/18 and at the Schools Forum in June 2017 it was agreed to amend the scheme for financing schools so that 100% of the carry forward could be used for licensed deficit agreements.

- Licensed Deficit agreements continuing into 2017/18 total £1.021m which equates to 79% of the balances.
- Schools requiring new licensed deficits in 2017/18 total £1.143m and when added to the £1.021m existing deficit agreements, totals £2.164m (or 167% of school balances), which is £0.871m above the level of school balances.
- Early indications are that the level of schools' surpluses will fall from £2.895m at 31/03/17 to £1.700m at 31/03/18. This projection would result in an overall overspend on schools of approximately £0.464m (£2.164m - £1.700m) at 31/03/18, which would need to be met from General Fund reserves in the short term.

### **Teachers' Pay**

6.2 It is proposed to allocate £0.100m of one-off funding in 2018/19 to smooth the introduction of a 2% pay increase for teachers on salary points M2-M5. This will be allocated to maintained schools based on the number of teachers on these scale points on the 1 September 2017.

## **National Funding Formula**

6.3 There are a number of significant changes to the funding system this year:

- (i) A central school services block (CSSB) has been created. Local authorities will be allocated funding for central school services through the new CSSB. This will comprise funding for ongoing responsibilities and a cash sum for historic commitments. The Dedicated Schools Grant (DSG) therefore now comprises four blocks: schools, high needs, early years and the new central school services block.
- (ii) Each of the four blocks of the DSG will be determined by a separate national funding formula. National funding formulae will determine local authorities' schools, high needs and central school services blocks for the first time in 2018/19. Funding for early years has been allocated through a national funding formula since 2017/18. Baselines have been adjusted to take account of local authorities' most recent spending patterns.
- (iii) Within the schools block, the Government will provide for at least a 0.5% per pupil increase for each school in 2018/19 through the national funding formula. The formula will provide local authorities with per pupil funding of at least £4,800 for all secondary schools that have pupils in years 10 and 11 by 2019/20.
- (iv) Within the high needs block, the Government will provide for at least a 0.5% overall increase in 2018/19 through the high needs national funding formula. The high needs block will be protected at 2017/18 baselines.
- (v) The minimum funding guarantee (MFG) for schools will continue, but local authorities will have the flexibility to set a local MFG between 0% and -1.5% per pupil. In past years, the MFG has been fixed at -1.5% per pupil. Local authorities can use the flexibility to offer higher levels of protection locally if desired.
- (vi) The schools block will be ring-fenced from 2018/19, but local authorities will be able to transfer up to 0.5% of their schools block funding out with the agreement of their schools forum. Local authorities will be expected to demonstrate to their schools forum that they have consulted locally with all maintained schools and academies when seeking agreement to transfer any funding out of the schools block.

## **Housing Revenue Account (HRA)**

6.4 The Housing Revenue Account (HRA) is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable. Although the HRA is not subject to the same funding constraints as the General Fund it still follows the principles of value for money and equally seeks to continuously improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used extensively to identify opportunities for better efficiency and service delivery.

- 6.5 The HRA Budget aims to balance the priorities of both the council and housing residents within the context of the Housing Strategy 2015, and the Corporate Plan 2015-2019 which sets out the overall direction for the council.
- 6.6 The HRA Budget & Investment Programme 2018/19 and the Medium Term Financial Strategy (MTFS) is currently being drafted and will be reported separately to Housing & New Homes Committee in January 2018, and Policy, Resources & Growth Committee and Council in February 2018. The revenue budget will include savings proposals as well as some service pressures mainly in relation to further health and safety measures being considered in light of the Grenfell Tower fire.
- 6.7 Rents will continue to be calculated in accordance with government's rent guidance. The Welfare Reform and Work Act 2016 received Royal Assent in March 2016 and the act requires that social rents should be reduced by 1% per annum over a 4 year period from 2016/17 to 2019/20.

## **7. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 7.1 The budget process allows all parties to engage in the examination of budget proposals and to put forward viable alternative budget and council tax proposals to Budget Council on 22 February 2018. Budget Council has the opportunity to debate the proposals put forward by this Committee at the same time as any viable alternative proposals.
- 7.2 Any alternative proposal will need prior assessment by the Section 151 Chief Financial Officer and will not normally be allowed where an estimate is not considered to be robust for one of the following reasons:
- i) The risk of not achieving the saving is assessed to be untenably high;
  - ii) There is insufficient evidence or information to assess the potential saving;
  - iii) The alternative proposal is adding to or bringing forward an existing saving without further information as to how this can be achieved;
  - iv) The alternative proposal requires one-off investment or loan financing that cannot be supported;
  - v) The alternative proposal is beyond the powers and duties of the local authority.

## **8. COMMUNITY ENGAGEMENT & CONSULTATION**

### **Budget Timetable**

- 8.1 The Timetable for budget papers is given in the table below. This timetable does not include detailed plans for ongoing consultation with stakeholders as this will be determined in conjunction with those involved.

<b>Table 4 - Remaining 2018/19 Budget Timetable</b>		
<b>Date</b>	<b>Meeting</b>	<b>Papers / Activities</b>
22 Nov 2017		Autumn Budget
Early Dec 2017		Provisional Local Government Finance Settlement

<b>Table 4 - Remaining 2018/19 Budget Timetable</b>		
<b>Date</b>	<b>Meeting</b>	<b>Papers / Activities</b>
17 Jan 2018	Housing & New Homes Committee	Housing Revenue Account Budget and Capital Programme
25 Jan 2018	Policy, Resources & Growth Committee	Tax base report and Business Rates retention forecast
8 Feb 2018	Policy, Resources & Growth Committee	Month 9 Forecast of 2017/18 budget position. General Fund Budget, Investment & Efficiency Strategy 2018/19 Housing Revenue Account Budget and Capital Programme. Capital Investment Programme.
22 Feb 2018	Budget Council	

- 8.2 The scale of the budget gap over the medium term to 2019/20 has necessarily required the development of saving and cost reduction proposals that have significant implications for the design and delivery of many council services. This is likely to carry higher risks for the impact on service delivery than in recent times and requires effective consultation and engagement on not only service changes but also financial planning over the medium term.
- 8.3 General information and advice about the council's budget will continue to be provided through the council's web site and via a refreshed 'Budget Animation' available on YouTube™ which shows how money is spent on services, where the money comes from and a summary of the financial challenges ahead.
- 8.4 The council has also widely publicised its online social media inviting residents and stakeholders to give us their views and ideas on Twitter via **#BHBudget**. Social media continues to be a key, low cost, mechanism for engaging with residents and other stakeholders. Key proposals from the 4 year budget strategies will be publicised, along with information about council services, and questions and comments invited from residents immediately following their publication over the period leading to the February Policy, Resources & Growth Committee meeting. A summary of response threads will be provided to all political groups through the Budget Review Group and appended to the February budget report.

Other consultation and engagement processes are as follows:

- 8.5 Engagement with the Older Peoples Council is planned and information is being shared with Strategic Partners and community groups to invite feedback.
- 8.6 Local Strategic Partners remain acutely aware of the potential cumulative impact of funding pressures across public sector agencies on the city. The City Management Board, attended by all Local Strategic Partnership representatives, will therefore ensure that information is shared across the sector to assess and mitigate adverse cumulative impacts wherever possible and develop joint actions where appropriate. Engagement with statutory partners will continue on an ongoing basis through the City Management Board and appropriate working



groups to further share and understand the potential cumulative impact of budget proposals across the city as they take shape.

- 8.7 There are ongoing briefings and discussions with the Economic Partnership and a broader event for the business sector could be scheduled in January 2018 including the required formal consultation with business ratepayers, particularly concerning the impact of 2017 revaluation. The focus will be on potential funding sources and bids, city regeneration, economic growth, employment and apprenticeship strategies.
- 8.8 For staff, updates will be provided via the council's intranet and formal consultation with Staff and Unions will be undertaken as normal including Departmental Consultative Group (DCG) meetings in November and early December 2017 followed by appropriate consultation with directly affected staff.
- 8.9 Similarly, where appropriate or required by statute, specific consultation will be undertaken with residents and other people directly affected by proposed changes to service delivery.
- 8.10 For information on specific fees and charges proposals please refer to the relevant service committee where proposals are normally considered and approved. The list of meetings is set out in the table below.

<b>Table 5 – Approval of Fees &amp; Charges</b>		
<b>Fees &amp; Charges Area</b>	<b>Meeting</b>	<b>Date</b>
Private Sector Housing – HMO Licensing	Housing & New Homes Committee	15/11/2017
Planning	Tourism, Development & Culture Committee	16/11/2017
Licensing and Enforcement	Licensing Committee	23/11/2017
Libraries	Tourism, Development & Culture Committee	11/01/2018
Seafront, Outdoor Events and Venues	Tourism, Development & Culture Committee	11/01/2018
Children & Young People	Children, Young People & Skills Committee	15/01/2018
Housing Revenue Account	Housing & New Homes Committee	17/01/2018
Environmental Health and Trading Standards	Neighbourhoods, Inclusion, Communities & Equalities Committee	22/01/2018
City Parks and City Clean	Environment, Transport & Sustainability Committee	23/01/2018
Parking and Highways	Environment, Transport & Sustainability Committee	23/01/2018
Life Events	Policy, Resources and Growth Committee	25/01/2018
Adult Social Care Non-residential care services	Health & Wellbeing Board	30/01/2018

## **Schools Forum Consultation**

- 8.11 There is a statutory requirement on the local authority to consult with the Schools Forum on certain financial aspects of the schools budget including formula changes and the associated impact on budget distribution. The Schools Forum is a public meeting whose membership is made up of schools representation from across all phases and on which the Education Funding Agency has optional observer status.
- 8.12 Information is provided throughout the year to meetings of the Schools Forum concerning the development and/or changes to elements of the schools budget and the schools formula, now principally based on a national formula. There is a Schools Block Working sub-group that works with Education and Skills and Finance colleagues to ensure involvement and engagement of schools representatives in looking at considerations and options as proposals are developed. Annual budget shares will be presented to the 16 January 2018 meeting of the Schools Forum for consultation.

## **Housing Revenue Account (HRA)**

- 8.13 The HRA follows a separate consultation and engagement process involving relevant stakeholders and tenant representative groups. Details and feedback will be set out in the HRA Revenue Budget and Capital Programme report to the 17 January 2018 Housing & New Homes Committee.

## **9. CONCLUSION**

- 9.1 The council is under a statutory duty to set its budget and council tax before 11 March each year. This report sets out the latest budget assumptions, process and timetable to meet the statutory duty. The plans cover a 4 year period, however only proposals for 2018/19 and associated council tax decisions require formal approval. The Medium Term Financial Strategy and 4-year plan proposals for 2019/20 will be for noting but the principles of effective longer term planning require that subsequent withdrawal of any approved savings should be accompanied with alternative proposals in order to maintain the current position and avoid impacting further on financial resilience.

## **10. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 10.1 These are contained within the main body of the report.

*Finance Officer Consulted: James Hengeveld*

*Date: 17/11/17*

### Legal Implications:

- 10.2 Policy, Resources & Growth Committee has the necessary authority to make the recommendations set out in paragraph 2 of this report as part of its function of

formulating budget proposals for subsequent consideration and adoption by Full Council.

- 10.3 Recommendation 2.4 reflects the council's duties to consult interested parties in relation to the draft savings proposals set out in the report.
- 10.4 Any decisions taken as part of the budget setting process are "resourcing" decisions and are subject to compliance with relevant legal requirements where appropriate before implementation.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 21/11/17*

Equalities Implications:

- 10.5 In Brighton & Hove City Council a budget Equality Impact Assessment (EIA) process has been used to identify the potential disproportionate impacts of proposals on groups/individuals covered by legislation (the 'protected characteristics' in the Equality Act 2010) and actions to mitigate these negative impacts or promote positive impacts. This is a key part of meeting the requirements of the Act and demonstrating that we are doing so. In law, the potential impacts identified, and how far proposed actions mitigate them, must be given due regard by decision-makers at each stage of the budget-setting process.
- 10.6 All proposals with a potential equalities impact in 2018/19 have had an EIA completed (provided in Members' rooms and on-line), and this is cross-referenced within the savings proposals. Staffing EIAs will be completed alongside the formal consultation process on proposed staffing changes and feedback will be provided in the February report.
- 10.7 When the budget proposals are made public, these EIAs will also be circulated widely to stakeholders. Feedback will be used by officers to revise the first drafts of EIAs into final versions which will be available to members and scrutiny as they consider the budget proposals. They will also be published on the council website.

Sustainability Implications:

- 10.8 A carbon budget will be set for 2018/19 and included in the budget report to this committee in February 2018. This will show the level of spend on energy and the estimated carbon emissions across each carbon budget area and includes a planned 4% reduction.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

- 10.9 The budget proposals normally provide risk provisions against the uncertainty of the local government finance settlement, delivery risk across savings proposals and forecast risk on service pressures and demands. However, the national and local picture present growing risks in respect of the pressures on the health and social care system and hospital discharge, the growing problem of homelessness

and rough sleeping, and the cumulative impact of welfare reforms, particularly the roll-out of Universal Credit. This suggests a higher level of potential risks than previously experienced and will need good quality data and analysis to ensure that trends and the impact of interventions can be closely monitored and understood.

- 10.10 The level of financial risk provisions will need to be reviewed for 2018/19 in the light of the Month 9 TBM budget monitoring position and available resources. Taking into account the risks highlighted above, the level of risk provision will clearly need to strike a balance between putting money to one side at a time when vulnerable people's reliance on essential public services is expected to grow.
- 10.11 The budget report to February Policy, Resources & Growth Committee will include the Chief Finance Officer's formal assessment of the robustness of estimates in the budget and the adequacy of reserves.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Budget changes from 2017/18 to 2018/19
2. Service Descriptions and 4-Year Integrated Service & Financial Plans (ISFPs)
3. Summary 10 year Capital Programme

#### **Documents in Members' Rooms**

1. Budget Equality Impact Assessment Screening Documents (also available online)

#### **Background Documents**

1. Budget files held within Finance
2. Consultation papers

	2017/18 Revised Base £'000	Reverse one-off allocations £'000	2017/18 Adjusted Base £'000	FYE of 2017/18 Savings £'000	Inflation £'000	Service Pressures £'000	Commitments and reinvestment £'000	VFM & Other Savings £'000	2018/19 Original Budget £'000	Change over adjusted base £'000	Change over adjusted base %
Families, Children & Learning	83,301	(220)	83,081	-	1,410	5,628	-	(4,308)	85,811	2,730	3.29
Health & Adult Social Care	49,318	(25)	49,293	-	1,049	4,161	-	(3,426)	51,077	1,784	3.62
Economy, Environment & Culture	28,271	(211)	28,060	-	281	892	187	(1,582)	27,838	(222)	(0.79)
Neighbourhoods, Communities & Housing	14,905	(80)	14,825	(140)	(5)	208	-	(653)	14,235	(590)	(3.98)
Finance & Resources	17,683	-	17,683	-	141	96	70	(874)	17,116	(567)	(3.21)
Strategy, Governance & Law	4,686	-	4,686	55	10	313	35	(225)	4,874	188	4.01
<b>Total Directorate Spending</b>	<b>198,164</b>	<b>(536)</b>	<b>197,628</b>	<b>(85)</b>	<b>2,886</b>	<b>11,298</b>	<b>292</b>	<b>(11,068)</b>	<b>200,951</b>	<b>3,323</b>	<b>1.68</b>
Concessionary Fares	11,046	-	11,046	-	221	-	(70)	(200)	10,997	(49)	(0.44)
Insurance	-	-	-	-	-	-	-	-	-	-	-
Financing Costs	6,700	-	6,700	-	-	-	220	-	6,920	220	3.28
Corporate VFM Savings	(128)	-	(128)	-	(1)	-	-	(500)	(629)	(501)	391.41
Contingency and Risk Provisions	2,723	-	2,723	-	54	1,250	(2,329)	-	1,698	(1,025)	(37.64)
Unringfenced grants income	(15,648)	-	(15,648)	-	-	1,050	(272)	-	(14,870)	778	(4.97)
Levies to External Bodies	203	-	203	-	4	-	(8)	-	199	(4)	(1.97)
Other Corporate Budgets	2,781	-	2,781	-	(27)	-	599	(25)	3,328	547	19.67
BUDGET GAP	-	-	-	-	-	-	-	(1,262)	(1,262)	(1,262)	-
<b>NET REVENUE EXPENDITURE</b>	<b>205,841</b>	<b>(536)</b>	<b>205,305</b>	<b>(85)</b>	<b>3,137</b>	<b>13,598</b>	<b>(1,568)</b>	<b>(13,055)</b>	<b>207,332</b>	<b>2,027</b>	<b>0.99</b>
Contributions to/ from(-) reserves	(2,252)	536	(1,716)	85	-	-	1,557	-	(74)	1,642	(95.69)
<b>BUDGET REQUIREMENT</b>	<b>203,589</b>	<b>-</b>	<b>203,589</b>	<b>-</b>	<b>3,137</b>	<b>13,598</b>	<b>(11)</b>	<b>(13,055)</b>	<b>207,258</b>	<b>3,669</b>	<b>1.80</b>
<b>Funded by</b>											
Revenue Support Grant	21,618		21,618						14,144	(7,474)	(34.57)
Business Rates Local Share	56,877		56,877						58,776	1,899	3.34
Tariff Payment	(1,500)		(1,500)						(1,558)	(58)	3.87
Business Rates Levy payment	(122)		(122)						(126)	(4)	3.47
Business Rates Collection Fund surplus/(deficit)	(1,684)		(1,684)						-	1,684	(100.00)
Council Tax Collection Fund surplus/(deficit)	654		654						-	(654)	(100.00)
Council Tax	127,746		127,746						136,022	8,276	6.48
<b>Total</b>	<b>203,589</b>		<b>203,589</b>					<b>-</b>	<b>207,258</b>	<b>3,669</b>	<b>1.80</b>



## Families, Children & Learning

### Services and Responsibilities

Families, Children and Learning brings together different services for children and young people from birth up to the age of 25, together with services for adults focused on skills & employment and learning disabilities. Much of the education and special educational needs provision is funded through the ring-fenced Dedicated Schools Grant (DSG). Although this budget strategy is focused on General Fund spend there are also parallel proposals in relation to the DSG as there is a significant pressure on the budget following the extension of support for young people with Special Educational Needs & Disabilities (SEND) up to the age of 25 and also parallel pressures on school budgets.

The main area of General Fund spend relates to the placement costs for children and young people in care and adults with learning disabilities (LD). The LD budget transferred across on 1 November 2016 in order to ensure improved pathways between children and adult services. It is a large net budget of just over £30m and includes a supported employment budget, part of which supports a team supporting adults with learning disabilities which work closely with colleagues in the Education & Skills branch. There are significant pressures on this budget and it is currently overspending in relation to placement costs within the Community Care budget arising from residents requiring more support. Following a procurement exercise, four council run supported living establishments for adults with learning difficulties transferred to the Grace Eyre Foundation, a well respected local charity in June 2017. Consideration is being given to the business case for a further procurement exercise in this area.

In relation to children, the number of children with child protection plans and being brought into care nationally continues to increase. Over the last 12 months however, the numbers in Brighton & Hove have been reducing. This has led to cost savings, but is at risk if there is a high profile safeguarding case either nationally or locally. In addition, both locally and nationally there has been an increase in the number of adolescents requiring intensive support, including high cost residential placements. In part this is related to the greater focus on meeting the needs of young people who are vulnerable to exploitation. There is currently a significant issue regarding foster placement sufficiency, which is having an adverse impact. This is a national issue resulting from the significant rise in the number of children in care and the impact locally is that when placements are required, the lack of options mean that placements are made on the basis of availability rather than need. This can result in children being placed in more expensive provision.

Our vision is for a directorate that is ambitious and works more closely with partners. We want all of the city's families and children to be happy, healthy and safe, fulfilling their potential. Over the last few years, services have been redesigned in order to improve efficiency and reduce costs and this will continue in future years with proposals to stop doing some things, redesign some services and reduce the demand for more intensive and expensive services. Inevitably, this requires difficult decisions in balancing untargeted, non-statutory support with preventative, statutory and safeguarding provision.

There are 3 key branches in the directorate together with a performance and safeguarding service that ensures that we meet our duties and provides quality assurance. The key branches are as follows:

## **Education and Skills £7.051m**

This service area includes:

- Early Years and Family Support (including Children's Centres)
- School Organisation
- Education Standards and Achievement
- Skills, Employment and Youth
- Virtual School for children in care
- Able & Willing Supported Employment Service

## **Health SEN and Disability Services £35.773m**

This service area includes:

- Educational Psychology, School Wellbeing Service, Behaviour and Learning Support Services
- Special Educational Needs
- Social work and early help support for children with a disability
- Residential, short break and respite provision for children with a disability
- Assessment, social work, behaviour support and health services for adults with learning disabilities
- Council residential and day activities services for adults with learning disabilities

## **Safeguarding and Care £38.475m**

This service area includes:

- Fostering and Adoption Services
- Children in Need and Child Protection
- Children in Care and Leaving Care services
- Adolescence and Youth Offending Services
- Front Door for Families which includes MASH (Multi Agency Safeguarding Hub)
- Early Parenting Assessment Programme & Looking Forward project
- Contact Service
- RuOK? – substance misuse service for adolescents
- Functional Family Therapy

## **Users of Family Children & Learning Services**

The directorate provides a range of different services from universal to those targeted at small groups of people with very high levels of need and/or where we are required to fulfil a statutory duty. Some of the key groups of users we interact with are as follows\*:

32,376 children attend city schools; (May 2017 Census)

8456 parents/Carers applied for school places between Sept 16 and Aug 17

12,703 contacts relating to 6,705 children were received by the Multi Agency Safeguarding Hub/Front Door for Families this year, of these 2,894 relating to 1,509 children were safeguarding concerns that required follow up work;



5,498 children have been identified as having a special educational need or disability (May 2017 census);

3,947 children are eligible for free school meals; (May 2017 Census)

3,654 children with additional needs are supported by the Inclusion Support Service;

1,671 children attended a council Children's Centre in the last quarter;

1,893 children are open to our social work service, of these, at September 2017, 372 are on a child protection plan and 424 have been brought into the care of the Council;

989 children have an Education Health & Care plan (or statement of Special Educational Needs) (May 2017 Census);

1,429 families have been identified locally through the national Troubled Families Programme;

560 children attend a council nursery

398 children receive supported bus travel to school and a further 470 children receive free bus passes;

519 young people were supported by the Youth Employability Service;

175 children are electively home educated in September 2017;

118 homeless families were supported by the directorate;

132 foster care families are supported by the directorate (September 17);

95 families who have an adopted child were supported and last year;

33 children moved out of care into adoption (year ending September 17)  
A further 244 children are supported through a special guardianship order.

\* Please note these figures are a mixture of snapshots in time or usage over a set period and are shared with the intention of being illustrative.

## Families, Children &amp; Learning

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Director of Families, Children & Learning	1,451	162	6.2	-	15	-
Health & Disability Services	43,503	35,773	297.6	1,681	1,245	890
Education & Skills	12,813	7,051	265.5	1,775	276	172
Children's Safeguarding & Care	40,771	38,475	340.4	2,039	2,722	1,544
Children's Safeguarding & Quality Assurance	1,539	1,477	30.9	-	50	55
<b>Total Families, Children &amp; Learning</b>	<b>100,077</b>	<b>82,938</b>	<b>940.5</b>	<b>5,495</b>	<b>4,308</b>	<b>2,661</b>

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
FAMILIES, CHILDREN & LEARNING										
DIRECTOR OF FAMILIES, CHILDREN & LEARNING										
Director of Families, Children and Learning	Salary and directorate support costs for the Director and support staff	343	112	5.6	Savings of £0.100m were achieved in 2016-17 through a reduction in senior management.	Savings in 2018-19 will be a result of a reduction in administrative support (currently a vacancy)	May impact on management capacity		15	
	Troubled Families	1,108	50	0.6	This is a largely grant funded programme The current programme is seeking to work with a total of 784 families who meet the central governments criteria for being 'troubled families'. Savings were achieved in 2017-18 therefore no further savings are proposed for 2018-19					
Director of Families, Children & Learning Total		1,451	162	6.2				-	15	-

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
HEALTH & DISABILITY SERVICES										
Services for children with disabilities	Residential, respite and short breaks.	1,752	1,225	47.8	The LA will continue to meet its full statutory duty towards children with SEN and disabilities and remains committed to working with parents, young people and all in partnership. The aim is to find efficiencies while extending the access of families to short breaks and respite through effective re-organisation and a reduction in agency spend (see below). The new integrated special school hubs will offer an extended range of short breaks outside of school hours more efficiently with increased access for more families. We will also be offering through the hubs a better offer of support to help families cope at home where children have exceptionally complex needs and challenging behaviours, thus strengthening	Review of use of in-house provision and respite to extend the range of options for parents with more emphasis on extended day, evening and weekend activities - overnight respite would still be available for those in most need and where children require shared care. Further review of contracts with the Community and Voluntary Sector for respite and short breaks to see how they could extend their reach while making greater efficiencies. While every effort will be made to make savings through efficient re-design of services within current staffing, there may be a loss of posts for care staff. Given the difficulties in recruitment however this is likely to be achieved through redeployment of staff rather than job losses.	Opportunities will be impacted.  Potential impact on respite provision  See EIA 1	86	100	140
Services for children with disabilities	Social work	773	773	19.1	the resilience of families and reducing the need for overnight respite and children coming into care. In terms of remit for Children's Disability Service (CDS), there are close to 300 families receiving services via the social work and early help service. Around 130 families receive direct payments to enable them to purchase care packages and	Reduction in management capacity across the Children's Disability Service and the Adults Learning Disability Service following re-structure to provide one integrated service. Bringing together adult and children's services provides an opportunity to rationalise management across both services and to streamline provision.	Delivery Risk: May impact on management capacity at pressure points but priority will be on statutory duties.  See EIA 1	100	50	200
Services for children with disabilities	Direct payments	857	409	-	around 30 at any one time receive overnight respite at one of our two children's homes or	Direct Payments provide cost effective bespoke solutions for families needing support				

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
Services for children with disabilities	Family support services	323	260	4.7	through specialist foster care. We are reviewing the way short breaks and respite are delivered to offer a different model that provides a much wider offer with new more affordable short break and respite options included so that resources are distributed more equitably and preventatively, whilst ensuring the families in greatest need continue to have access to shared care arrangements as now.	Family support services provide early help and intervention that can prevent escalation of need				
Services for children with disabilities	Contracted services, adaptations, management	1,105	1,048	9.1		Considerable savings have already been made in these areas overall. We will however be seeking some further small efficiencies on contracted services which will contribute to the overall savings for short breaks and respite		-	-	-
Agency Disability	Independent and non maintained children's homes, special schools and boarding school placements	1,186	832	-	The direction of travel in both Children' and Adults Learning Disability Services is to enable families to stay together within the City as far as possible by ensuring a comprehensive range of quality integrated services across education, health and care/ respite to meet needs locally. This in turn prevents the need for expensive independent provision at a distance from the City. The strategy also aims to empower families by a shift in provision towards Direct Payments so that they can purchase what they need in terms of support, with help and advice provided for them to do this.	The reorganisation of special school provision into new specialist hubs will offer integrated education, health, care, respite and extended day services on-site with closer working with the children's homes at Drove Road and Tudor House. This will provide a quality alternative to private and residential provision that keeps families together and reduces the cost of expensive out of City alternatives and taxi transport.	Delivery Risk: Reliance on positive impact of the new practice model changes and anticipated downward trend on agency placements.  Impact on Outcomes: Impact on children and families will be mitigated by a considered restructure of residential provision and a rebalancing of budgets and to increase funding for Direct Payments. Greater provision of full time residential education and care will help keep families together.  See EIA 1	510	150	60
Special Educational Needs	Special Educational Needs	929	248	19.0	This area is subject to increasing pressures as the age range for eligible young people has extended from 2-19 to 0-25 following the 2014 Children and Families Act. No further savings proposed in 18-19.					

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Inclusion Support Service	Inclusion Support Service. Including Educational Psychology Service and Child & Adolescent Mental Health Services (CAMHS)	1,420	287	30.9	This is a new integrated service that has been developed from what were previously separate support services for children with special educational needs, including emotional health needs. The main funding comes from the Dedicated Schools Grant. Currently only the service for children with literacy needs/ dyslexia is traded with schools but there is scope for this to be a larger element. There is a budget saving of £50K from the general fund in 2018-19 in a service with a total budget of over £3M (including DSG funding). This saving could be achieved by the loss of the equivalent of 1 teacher or 1-2 other professional specialist posts. However the potential loss of schools' 'exception funding' (currently subject to consultation with schools) and significant savings to be found in the High Needs Block of the DSG means the service will need to expand its traded element with schools from 18-19 onwards. If schools are unwilling too purchase the traded element, there is a risk to current staffing levels as yet to be determined.	The proposal is to develop a greater traded function which schools believe offers them value for money.	Potential risk of schools not buying back into traded service		50	

## APPENDIX 2

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Community Care (Adults) including:  Community Support  Day Care  Direct Payments  Home Care  Shared Lives  Supported Accommodation  Residential Care  Nursing Care	Learning Disabilities	26,875	23,758	-	Savings in 18-19 will be achieved through a continuation of the successful 'Move On' project. This project has been reviewing service users with a view to promoting independence as close to the City and local community as possible. The project also reviews care packages to see if they are still needed and being delivered in the best and more efficient way. In addition further efficiencies will be sought from all council run provision. We are developing a more personalised approach to our clients, including close working with housing colleagues. Additional support has been provided to carry out re-assessments of the support needs of our clients. In terms of context there are currently 833 adults with learning disabilities receiving support from the community learning disability team, ranging from direct payments through to full residential care.	Review high cost clients receiving multiple services who have not been reviewed in the previous two years. Taking a more holistic approach to the commissioning of care homes. The savings achieved from an anticipated reduction in the number of clients in higher cost provision will however be less than the additional funding made available for this budget to respond to the increased unit costs of provision. This is currently estimated to be approximately £2m and so the overall budget will increase	Delivery Risk: Limited availability of suitable accommodation in the City, high unit cost and continued increase in the numbers of clients with eligible need. These demands equate to additional costs of £3.223m for 17-18. Savings can only be achieved by accessing local accommodation.  Impact on Outcomes: Concentrating on key statutory duties and those clients who present the highest risk to themselves and to the Community, ensuring needs are met in the most cost effective manner.  See EIA 2	650	745	440
Assessment & Support and Intervention Team (Adults)	Learning Disabilities Assessment Teams (including Management, Assessment and Admin)	998	900	26.5	This is the social work assessment team and is required to ensure the safety and wellbeing of adults with LD and to carry out reviews of provision in line with statutory requirements			31	-	-
Learning Disabilities - Community Support (Adults)	Community Support Service	203	166	6.2	This early help service works to prevent need escalating and thus avoid unnecessary costs arising.			30	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Learning Disabilities - Day Services (Adults)	Learning Disabilities Day Options	731	710	29.4	Part of the Learning Disability Strategy - includes increased Personal Budgets, and re-providing support. The direction of travel for adult social care directly provided service is to focus these on people with the most complex needs.	Continue to support people to move on to alternative day activities on an individual basis where their needs can be met in different ways.	Planned individualised transitions to alternative options using advocacy where required. Continued engagement with family carers. - Potential staff reductions once service users numbers have reduced. Any reprovision costs to be closely monitored so they do not put pressures on to the community care budget.  See EIA 3		50	50
Learning Disabilities - Residential (Adults)	In house Residential and Supported Living	5,447	4,309	85.0	High cost and most local authorities do not provide services in-house. The direction of travel for adult social care directly provided service is to focus these on people with the most complex needs.	Consideration is being given to the outsourcing of the two of the remaining supported living services during 2018. Further efficiencies will be found within the budget areas of the Residential & Supported Living Services including building maintenance. Additionally we will seek to change the registration of one of the residential services to enable the people who live there more choice and control over their lives	Complexity of reprourement process. Regulatory body may not approve change of registration. Buildings may require unforeseen works.  See EIA 4(a)		100	-
Learning Disabilities - Residential (Adults)	Respite Services	770	714	18.1	Part of Learning Disabilities strategy which will focus the service on complex, short term, hospital avoidance/step down cases and provide a service of last resort.	Respite services enable families to stay together and reduce the demand on care placements		-	-	-
Learning Disabilities - Shared Lives (Adults)	Shared Lives Service	Budget included above	Budget included above		Good value for money compared to residential care or Voluntary Sector/delivers savings to Community Care budget.	Shared lives is a cost effective high quality solution where adults with LD can live semi-independently within a family setting		-	-	-

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
Learning Disabilities - Supported Accommodation (Adults)	Registered Supported Living (8 Services)	Budget included above	Budget included above		Savings for 18-19 in this area are part of those outlined in the 'In House and Supported Living' proposals above.	Costs in these services are mainly for care packages identified to meet the needs of service users		223	-	-
Other	Learning Disabilities Operational Provider Management (Including Denmark Villas Management)	134	134	2.0	A significant saving has been made in this area in 17-18			51		-
<b>Health &amp; Disability Services Total</b>		<b>43,503</b>	<b>35,773</b>	<b>297.6</b>				<b>1,681</b>	<b>1,245</b>	<b>890</b>
<b>EDUCATION &amp; SKILLS</b>										
Schools PFI	PFI budget for 3 schools	2,410	-	-	No change proposed. Tied to long term PFI contract.	Tied to long term PFI contract				
Access to education	Access to education team including council functions and process regarding school attendance and exclusion, missing education, employment licences, EOTAS (elective home education and medical needs).	161	-	4.1	This is also part funded by the DSG. Savings were achieved last year. Given the pressures on the team including admissions, attendance support and work to ensure that children continue to receive a full time education, there are no proposed savings here	The service is to be protected as part of a wider strategy to support the education of vulnerable pupils including the supporting of statutory functions.		61	-	-
Standards & Achievement	Core school intervention team, commissioned school partnership advisers (this funding previously was part of the Education Services Grant - please see below). Note: Income of £76k from services to schools has been netted off within the gross budget.	380	380	3.0	This covers a range of statutory functions, although in recent years central government grant funding has reduced significantly. Brighton & Hove have a high percentage of schools judged by Ofsted to be Good and Outstanding so therefore the need for interventions has reduced.	To deliver service differently. Money has been allocated to fund a Partnership Adviser for Leadership and Governance.	Delivery Risk: Low risk.  Impact on Outcomes: Customer satisfaction will be monitored closely.	69	13	33



## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Governor Support	This service provides challenge and support to governors to full fill our statutory role as a LA. It also provides a high quality traded service which has a high percentage buy back from schools. Note: Income of £100k from services to schools has been netted off within the gross budget.	51	39	3.3	This service provides challenge and support to governors to full fill our statutory role as a LA. It also provides a high quality traded service which has a high percentage buy back from schools.	Savings through efficiencies and increasing trading of the service. Much of the service is funded through a buy-back arrangement with schools.	Delivery Risk: Low risk.	10	13	
Poverty Proofing School Day		75	75	-	The budget is to carry out the Poverty Proofing the School Day audits for schools across the city as part of the Fairness Commission recommendation 49. It funds the licence with Children North East and the costs of the team of researchers who go into schools to carry It out and then write the reports.					

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
School Improvement Monitoring Grant		123	-	-	This new grant has been allocated to local authorities to support them to broker additional school improvement provision, and intervene. The funding is to be used to increase and enhance the direct support needed for schools causing concern such as pupil premium reviews that support Ofsted and the governments focus on narrowing the gap. This enhances current provision in LAs that has only allowed us to monitor and intervene in the most extreme circumstances. The new grant puts greater emphasis on early intervention and school support to reduce risk of failure.	This grant is short term and not permanent. We do not yet know if this funding will exist in 18-19. This is grant funding with conditions that it has to be used for statutory school improvement services.				

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
School Organisation, Admissions & Home to School Transport	This includes our staff and support to deliver on our statutory school organisation and admissions role and management and leadership of school meals, home to school transport and all other statutory school organisation functions. Transport between home and school for children who live beyond the statutory walking distance. The appropriate school is the nearest maintained school to the child's home that is suitable to their age, educational needs and has a place available. Note: Income of £110k from services to schools has been netted off within the gross budget.	2,490	2,437	11.4	Greater efficiency to improve value for money. Underlying pressure on the home to school transport budget requires further work on independent travel, and rigorous implementation of policy. Planned work on reducing spend on supported buses is also underway. As of September 2017 there are 354 children and young people who receive direct transport support and a further 421 young people who receive bus passes. In addition this budget contributes to the wider supported bus transport subsidy	Significant savings have been achieved in previous years in transport and overall cost compares well with other Councils. A further small saving is planned for 2018-19. Although we have statutory duties in relation to home to school transport, how we provide support is not prescribed.	Transport is a demand led budget that continues to be under significant pressure due to the Councils statutory transport responsibilities  See EIA 4(b)	-	70	39
Music & arts study support	Provision of music and arts opportunities	340	-	3.1				7		
Other Services/Management	The Virtual School.	16	16	-	The Virtual School is largely funded through the DSG and the pupil premium for children in care. The school supports all children who are of school age and are in the care system, including those educated outside of the LA area. The team work to ensure that any barriers to educational achievement are removed.	Large savings were taken in previous years 17-18 - this supports statutory provision to promote the education of children in care		20		
Other Services/Management	Branch Leadership and Management	143	85	3.0	Leadership of education and skills branch					

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Other Services/Management	Redundancy & Asset management	(12)	(160)		Statutory duties of the local authority funded through the DSG.	Funded by DSG with the support of Schools Forum.				
Other Services/Management	Education and Traded services support				No further changes are proposed. This is the budget for the Assistant Director, the officer responsible for traded services (which is fully funded by the service level agreements) and administrative support			20		
Youth Services	The Council run Youth Participation Team deliver citywide youth participation and advocacy which supports wider engagement but also targets more vulnerable groups of young people. The Youth Grants Programme funds voluntary sector providers to run neighbourhood and equality youth services in targeted areas across the city.	823	512	13.7	Statutory duty to ensure there is a suitable offer to young people and statutory advocacy team. The services support participation and positive changes for young people either individually or as a community, targeting the highest areas of deprivation. The aim is to improve the social inclusion of young people, support young people into employment and to reduce antisocial behaviour, particularly in communities with council house tenancies. The service is also funded from the Housing Revenue Account. No savings are proposed for 2018-19 here.	Large savings were taken in previous year in 17-18.		505	-	
Early Years - Children's Centres	City-wide service co-located with health visiting which aims to improve outcomes for children under 5. Seven designated Children's Centres and delivery points across the city.	1,491	1,459	41.1	The service was reviewed in 2015-16 and funding reduced from April 2016. The Fairness Commission recommended that the Council should prioritise support for Children's Centres. Between April to June 2017 1628 children attended Children's Centres, 300 children received targeted interventions and 50 adults volunteered.	No longer funding finance post (already achieved). Reducing the number of children centre groups (group review taking place in the autumn).	Delivery Risk: Low risk.  Impact on Outcomes: Minimal impact.  See EIA 5	100	60	

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Early Years Nurseries	Subsidy for the Council run nurseries (Acorn, Bright Start, Cherry Tree, Jump Start, Roundabout and Sun Valley) and Tarnerland Nursery School. The nurseries provide free childcare places for 2, 3 and 4 year olds and childcare that parents pay for.	1,374	306	89.5	Statutory duties to secure sufficient free early education for 4, 3 and low income 2 year olds. Statutory duty to secure sufficient childcare for working parents. The Government introduced a tax-free childcare scheme from April 2017 worth up to £2,000 per child each year and £4,000 for disabled children and extended the entitlement to free childcare from 15 to 30 hours for 3 and 4 year olds with working parents from September 2017. Government funding for 30 hours is less than the rate that parent pay so will reduce income. 500 children attend council run nurseries.	The nurseries are under pressure from rising costs and reducing income (from the Dedicated Schools Grant) but do not receive any service pressure funding and therefore no saving is possible in 2018-19.			-	-
Early Years - Childcare	Support for nurseries, childminders, out of school childcare, childcare workforce training, and management and administration of free early years entitlement for 2/3/4 year olds	528	303	8.1	Statutory duties to secure advice and support for childcare providers and sufficient childcare provision. To encourage childcare providers to increase the number of apprentices and access apprenticeship funding for qualifications.	Reducing funding for childcare training. Running cost savings.	Delivery Risk: Low risk.  Impact on Outcomes: Minimal impact.	60	20	20

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Early Help - Integrated Team for Families and Parenting Service	The ITF & Parenting Service work with families with children of all ages who have multiple complex needs that generally fall just below the social work threshold, including Family Coaching, specific interventions and group work programmes. The Parenting Service delivers evidence based group and 1-1 parenting interventions.	677	677	33.0	The Integrated Team for Families and Parenting Team is part of the Council's contribution to the national Troubled Families initiative which aims to deliver coordinated and tailored support to families experiencing multiple and complex problems to reduce demand pressures on costly reactive services. The service was restructured in 2017 with the number of ITF teams reduced from four to two and a reduction in the number of Family Coaches. The service is also funded from Troubled Families Budget (£530,000) with part of the funding based on Performance by Results. The Troubled Families Initiative is due to end in 2020 and funding is expected to decrease in 2019-2020.	Reduction of two Family Coach posts (already achieved as part of the restructure in spring 2017)	Delivery risk: low risk.  Impact on outcomes: Less capacity to support families experiencing multiple complex needs and increased demand for social work services.  See EIA 6	340	80	80

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Skills & Employment	Skills & Employment Team. This team supports community learning, as provided by The Friends Centre which is funded via Skills Funding Agency (SFA). This team also includes: - Apprenticeship team - Youth Employability Service - Post-16 Learning & Skills	1,002	647	21.0	These teams provide a range of skills and employment support to both young people but also adults. The Youth Employability Service has been very successful in ensuring that the number of young people not in education, employment and training in Brighton & Hove is relatively low. This means that young people have a good start on their employment journey. The apprenticeship team is focussed on ensuring that council services (including schools) maximise the number of apprenticeship take-ups of all ages so that the Council is able to access funds that were removed from it through the apprenticeship levy.	Efficiencies to be found across services in Employment and Skills	If not managed well there might be a potential increase to the number of young people not in education, employment or training.	30	20	
Learning Disabilities - Employment Support (Adults)	Employment Support Services including Able & Willing The Supported Employment Team offers time-limited employment advice, coaching and support to people who have disabilities and long-term health conditions with the intention of supporting them into the workplace. Able and willing is Brighton's only Supported Business. It employs around 14 staff, of which 50%+ have some form of disability	749	333	23.1	A non-statutory service, and there is a need to focus on supporting more people into work. This is a budget that has historically overspent and is projected to overspend this year. Work is currently taking place to reduce this overspend. This involves a merger with our print and sign service and a more commercial approach to product lines. If current work takes place it is anticipated that the historic overspend is dealt with, but no additional savings are likely to be achieved next year.	This is a budget that has historically overspent and is projected to overspend this year. Work is currently taking place to reduce this overspend. This involves a merger with our print and sign service and a more commercial approach to product lines. If current work takes place it is anticipated that the historic overspend is dealt with, but no additional savings are likely to be achieved next year.		50	-	-
Print & Sign	Print & Sign Unit	(8)	(58)	8.0	This service is entirely funded by work it carries out.			15		
<b>Education &amp; Skills Total</b>		<b>12,813</b>	<b>7,051</b>	<b>265.5</b>				<b>1,775</b>	<b>276</b>	<b>172</b>

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
CHILDREN'S SAFEGUARDING & CARE										
Fostering & Adoption	Payments to in-house carers for fostered and adopted children.	7,471	7,471	-	Review of staffing structures and adoption support to ensure efficiencies, together with increase in number of adoption assessments creating an income stream	Maintain budget as investment in this area is better value for money than foster agency placements.				
Fostering & Adoption	Staffing teams assessing and supporting foster carers and potential adopters. Allowances paid to Adopters	4,207	4,007	67.5		Service redesign aimed at reducing any overlapping areas between Adoption and Fostering. Review of adoption services in light of proposed national changes.	Delivery Risk: Redesigned service may not assess sufficient new carers and adopters. Higher cost foster agency placements would then persist.  Impact on Outcomes: More 'in-house' carers and new adopters should provide better stability and outcomes for children and young people.  See EIA 7	167	220	



## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Social Work & Legal	Social work staffing teams.	8,837	8,836	181.5	<p>A new model of social work practice was introduced in October 2015 to provide continuity for families and improve support for social workers. By responding in a more purposeful and relational way, the theory of change was that the number of children at risk of significant harm would reduce, resulting in a reduction in higher levels of intervention. Demand for social work services have reduced compared with October 2015. As at 02.10.17</p> <ul style="list-style-type: none"> <li>• Number of open clients has reduced by 7.7%</li> <li>• Number of child protection plans has reduced by 7.9%</li> <li>• Number of children in care has reduced by 8.7%</li> </ul> <p>These reductions have taken place within a national context of increasing demand and Brighton &amp; Hove remain above the national average for rates of children subject to child protection plans and children in care. Internal quality assurance activity, the 2015 Ofsted inspection and 2016 LGA Peer Review indicate that thresholds for accessing safeguarding services are appropriate. Reducing demand has enabled a reduction of social work staffing by the equivalent of 1.5 pods.</p>	<p>The key indicators of demand for social work services have reduced in Brighton &amp; Hove since October 2015. The use of agency social workers has reduced from over 20% in October 2015 and to zero by October 2017. Staff turnover rates have also improved. Reducing demand on services has enabled a reduction in social work staffing in line with our stated service and budgetary proposals.</p>	<p>Delivery Risk: Increased demand and referral rates, as a result of unforeseen national or social contextual issues, may put at risk social work staffing efficiencies. The improvements in practice and outcomes associated with the model of practice, including reduced expenditure on staff, are reliant on caseloads allowing meaningful relationship-based practice. Current caseloads are in line with national averages and have allowed a response to budgetary demands at the same time as maintaining an efficient and effective service.</p> <p>Impact on Outcomes: Improved practice model should continue to prevent children needing care and contribute to improved outcomes for young people.</p> <p>See EIA 8</p>	75	590	-

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Social Work & Legal	Expenditure incurred under section 17 & 18 of the 1989 Children Act, including housing for homeless families.	659	659	-	This budget ensures that the Council is able to fulfil its statutory duties to support families at risk. Pressures continue to be high so no change in investment planned.	This is a budget that is under pressure in terms of demand and cost but does not receive any service pressure funding. As such no saving is possible in 2018-19				
Social Work & Legal	Legal costs relating to assessment and court fees.	1,060	1,060	-	No changes proposed as courts are making increasing demand on care applications	This is a budget that is under pressure in terms of demand and cost but does not receive any service pressure funding. As such no saving is possible in 2018-19				
Contact Service	Family contact for children in care (CiC) and children in need (CIN)	826	826	21.3	The service provides co-ordinating, supporting and supervising court ordered parental and family contact with children in care and children in need. A thorough review has achieved initial savings via a redesign.	Core staffing will be retained but a review of delivery of contact service to reduce costs of sessional workers and their transportation costs will be undertaken. Until this is completed the savings for 2019-20 have not yet been confirmed	Delivery Risk: Low risk.  Impact on Outcomes: No impact anticipated.	106	20	130
Care Leavers	Services for 18-24 year olds leaving care, including staying put and ex-asylum seekers.	2,805	2,487	9.0	No change in investment planned given need for continued support for young people leaving care and increase in responsibilities up to age 25.	No savings possible given need for continued support for young people leaving care and increase in responsibilities up to age 25.				

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Agency Placements	Residential, fostering and secure placements for looked after children provided by external agencies	11,652	10,522	4.0	Project to increase the number of in house foster placements and reduce reliance on more expensive independent provider provision is ongoing. Provision of high quality, value for money provision through contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines.	Relationship based social work practice and the specialist adolescence service is contributing to diverting children from the care system, and for those already in care, a stepping down to in house and/or less expensive placements. The overall number of children in care has continued to reduce locally (in the context of a national increase) and close scrutiny of placement costs, together with an increase in in-house foster carers is contributing to a reduction in unit costs. Work streams: Increasing number of in house foster carers and those able to provide support to more complex children; Increasing and extending preferred provider options for the Local Authority in partnership across the South East; Developing specific arrangements with a provider around residential placements; Working with East Sussex and the DfE to further develop ESCC secure establishment; Developing in house capacity with regards Supported Lodgings - an area of increasing demand and unit costs.	Delivery Risk: This is a high cost service where the failure of effective prevention and demand management will not only impact on the achievement of cost reduction but is likely to be of corporate financial significance to the council's challenging medium term financial position. The proposals set out here assume that other pressures on this budget will be met across the overall budget. A small number of adolescents with very significant needs continue to provide pressure on these budgets combined with a national shortage of placements.  Impact on Outcomes: Improved practice model should prevent children needing care and contribute to improved outcomes for young people. Demand management has implications for managing risk effectively to meet safeguarding requirements and statutory duties.  See EIA 9	1,511	1,777	1,414

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Adolescent Service	Support and supervision to young people involved in the Criminal Justice System and preventative work for children and young people at risk of becoming involved in offending.	2,169	1,620	40.7	Redesign of services to align with the adolescent strategy.	Redesign of service provides an opportunity to review staffing resources to align to include new responsibilities for teenage pregnancy and sexual health plus annual, reductions in income from the Youth Justice Board and to continue the success of the preventative strategy in reducing demand.	Delivery Risk: If the adolescent service does not succeed, offending activity may remain higher and require continued high cost support. Impact on Outcomes: Minimal impact as cost reduction should mirror reducing demand (offending) linked to the adolescent strategy.	30	40	
Family Support Services	Family group conferences and intensive intervention initiatives	409	379	5.7	No changes proposed as maintaining investment in this preventive service area is critical for effective demand management. Family Group Conferencing is used to identify alternative means to meet the needs of families who are facing difficulties and so avoid the need for a child to be brought into care.	No savings possible given need for effective demand management into more expensive statutory provision e.g. placement in care.				
Specialist Assessment	Clermont Family Assessment Centre	470	470	8.8	Redesign of service provision in response to the model of practice will reduce demand for interventions and assessments from the Clermont.	These savings are achieved by a review of service provision	Delivery Risk: Low risk.  See EIA 10		75	
Specialist Assessment	Therapeutic Services	69	1	-	This is funded externally	External funding				
Specialist Support	Living Without Violence	137	137	1.8	Review of LWV programme and associated management costs			50		
<b>Children's Safeguarding &amp; Care Total</b>		<b>40,771</b>	<b>38,475</b>	<b>340.4</b>				<b>2,039</b>	<b>2,722</b>	<b>1,544</b>
<b>CHILDREN'S SAFEGUARDING &amp; QUALITY ASSURANCE</b>										
Children's Safeguarding & Quality Assurance	Specific child protection services, the Local Safeguarding Children's Board and independent reviewing officers. Note: Income of £44k from services to schools has been netted off within the gross budget.	1,539	1,477	30.9	LSCB management and admin is a statutory multi-agency funded safeguarding function. Child protection services and independent Reviewing Officers are statutory services with high case loads and increasing demands.	Reducing and managing demand under the new practice model should enable a modest reduction of staffing resource over the medium term.	Delivery Risk: Continuing high demand and referral rates would put at risk this potential staffing efficiency.  Impact on Outcomes: No impact expected. Statutory requirement.		50	55

APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Children's Safeguarding & Quality Assurance Total		1,539	1,477	30.9				-	50	55
Families, Children & Learning Total		100,077	82,938	940.5				5,495	4,308	2,661

## Health and Adult Social Care Directorate

### Services and Responsibilities

The directorate is responsible for discharging the council's statutory responsibilities in relation to the provision of Adult Social Care to meet eligible need, legal duties to keep people safe from harm, safeguarding people whose liberty may be deprived and delivering our Public Health duties and functions. The Directorate provides a range of support to adults within the city and their carers. These include residential/nursing care, support packages for those with complex needs and universal, preventative support aimed at keeping people well and independent for longer.

In 2016-17, Adult Social Care managed the following activity:

- 5,034 new requests for social care support;
- 1,458 of these new requests resulted in provision of long term funded care services. Others received short term support e.g. reablement or end of life care, signposting to community services or ongoing low level support e.g. issuing equipment;
- 2,056 carers supported;
- 2,085 Deprivation of Liberty Safeguards applications (these numbers continue to increase; 998 applications received in the first 6 months of 2017-18);
- 772 Safeguarding enquiries were carried out.

During this period we provided long term funded care services for 3,601 adults. This support was provided in the following ways:

- 1,809 adults received domiciliary care in the community;
- 1,276 adults received residential or nursing support (529 nursing care placements and 747 residential care placements). The numbers of residential and nursing placements increased between 2015/16 and 2016-17 but the numbers have since plateaued as the service continues to support people to stay in their own home.
- 516 adults were in receipt of care services funded via a Direct Payment;
- 252 adults received day care support.

## Health &amp; Adult Social Care

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Adult Social Care	49,268	28,398	500.2	2,285	2,130	1,380
S75 SPFT	20,778	12,687	45.7	293	340	255
Integrated Commissioning	8,900	8,165	38.0	147	120	70
Public Health	21,201	(19)	55.9	2,148	836	479
<b>Total Health &amp; Adult Social Care</b>	<b>100,147</b>	<b>49,231</b>	<b>639.8</b>	<b>4,873</b>	<b>3,426</b>	<b>2,184</b>

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18 £'000	Net budget 2017-18 £'000	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18 £'000	Savings 2018-19 £'000	Savings 2019-20 £'000
<b>HEALTH &amp; ADULT SOCIAL CARE</b>										
<b>ADULT SOCIAL CARE</b>										
Community Care budget funding packages of care to meet statutory responsibilities across adult care groups apart from Learning Disability and mental Health. Services include; community support, home care, supported accommodation, residential and nursing care.	Physical Support & Sensory Support	27,004	15,348	-	Continue with the agreed Direction of Travel for Adult Social Care focusing upon reducing demand through a number of approaches: increasing access to advice and information, development of asset based social work maximising community support mechanisms, Integration with health colleagues, both commissioning and front line delivery, to provide a better joined up service to customers/patients	Support delivery of preventative approaches to reduce flow of new care packages, ensure all new care packages secure vfm, and prioritise reviews and target higher cost packages to explore more effective means of delivery, integration with health to focus upon admission avoidance and discharge to assess at home.	Delivery Risk: Primary risk is that the number of people with eligible needs continues to increase and those with existing services become frailer thus requiring increased packages which would impact on achievement of the full saving. Development of preventative strategies will help to generate long term benefits; however, risk of not achieving full target savings within the period. Market maturity and sustainability following a period of time with modest increases may impact upon success of savings being fully realised. With Care Act responsibilities to the market we must manage risk/potential for legal challenge. Impact on Outcomes: Concentrating on key statutory duties and those clients who present the highest risk to themselves and to the Community. Need for EIA to be determined on service specific basis.  See EIA 11	1,425	1,704	766



## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Assessment & Support and Intervention Team (SIT). Social Work teams delivering statutory duties under the Care Act to assess eligible needs, intervene where people are at risk to themselves, others or the community. Deliver statutory duties under the Mental Capacity Act, Safeguarding Vulnerable Adults, Deprivation of Liberty Safeguards (DoL's)	Assistant Director Community Short Term Services Social Work Team Information Signposting Triage Financial Assessments and Care Matching Team Community Rapid Response Team Hospital Discharge Service Acute Planned Response Service Hospital Assessment and Reablement Carers Development Team Assessment and Reablement Independent Living Carelink	9,230	6,974	213.7	The agreed Direction of Travel highlighted the need to maintain our qualified workforce to deliver on financial savings and meet statutory duties. The unqualified workforce was reduced in 2016-17 and an offer has been made to remaining unqualified staff to undertake a professional qualification. Proposed staff reduction will come from vacancies within the wider workforce not qualified staff and safeguarding duties will continue to receive highest priority. Approach rationale to reduce demand and support more efficient working practices.	Development of Asset Based practice to reduce demand. Supported self assessment and signposting of customers by effective use of the on-line portal to divert traffic. Implement technological solutions to financial assessments. Support staff with digital solutions to streamline work processes. HASC staff have been aligned with GP clusters providing improved opportunity for early intervention and diverting people from publicly funded services.	Delivery Risk: Ability to develop within the required timeframe an integrated approach with partner organisations to deliver services. Access to and the provision of effective ICT systems and infrastructure are key to the achievement of savings.  Impact on Outcomes: The aim is to increase personalisation and put people in control which should result in more positive outcomes. EIA requirement subject to individual service proposal.	339	100	-
	Community Equipment Service	2,334	257	-	Effective demand management will be required to manage within existing resources. This is funded through the Better Care Fund and will be part of the CCG review of funding.	This service is under significant demand pressures and received significant funding through the Better Care Fund, therefore it is not possible to identify savings.		-	-	-
Hostel Accommodation	Hostel Accommodation  107 beds budgeted for in 2017-18	2,326	1,103	42.3	Significant savings were taken from this budget in 2016-17. There is an ongoing review of hostel accommodation within the City which will be completed in 2017-18. As a result of this no savings have been identified at this stage.	Part of the ongoing review of hostel accommodation includes looking to transfer the service at New stein Mews to an external provider to secure effective future provision.		-	-	-
Memory & Cognition Support - Day Services	Wayfield Avenue Day Services  23 budgeted capacity for 2017-18	293	165	9.1	Service provides value for money and reduces the need for residential care services.	This service is a cost effective way of supporting vulnerable people, reducing demand pressures on other budgets.		-	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Memory & Cognition Support - Residential	Ireland Lodge Residential Wayfield Ave Residential  47 budgeted capacity for 2017-18	2,271	859	76.6	Provision to be retained as no suitable alternative is available. The Clinical Commissioning Group (CCG) provides funding for both of these services.	No immediate proposals. Currently working with Commissioners on future service models. Savings were taken in previous years.	Delivery Risk: Support from the CCG is integral to the successful review and continuous delivery of these services.	121	-	-
Physical Support - Home Care	Community Short Term Services & Independence at Home (Including Early Supported Stroke Discharge and Apportionment of Assessment Duties Budget capacity for 2017-18 assumes a max of 65 people in service at any time through 12 month period	2,982	2,781	74.6	With a focus on admission avoidance and ensuring flow from the acute hospital, ensuring people are maintained in community settings, complete a review of the pathways that are supported by Homefirst, bedded provision in Resource Centres and our Home Care offer. Working closely with the CCG, Sussex Community Foundation Trust, applying genuine integration principles we will facilitate a more	Cost of service has been reduced and provides increased value for money. Future role of in-house provision to be reviewed. Move towards embedding the Home First pathway which will reduce future demand on Independence at Home service and bedded units.	Delivery Risk: Low risk. We will retain a 'service of last resort' Impact on Outcomes: No adverse impact expected, this should only improve patient /service user outcomes.  See EIA 12	400	326	614
Physical Support - Residential	Craven Vale Residential Knoll House Residential Budget capacity for 2017-18 assumes a max of 21 people in service at any time through 12 month period	2,828	911	83.9	streamlined pathway delivering a reduced need for both the number and size of ongoing packages of care and placements leading to a reconfiguration of the current level of bedded provision and Home Based Care.	See above	Risk on delivery if alternative provision is not available. Requires modelling of remaining beds on basis of future rather than past activity.  See EIA 12	-		
<b>Adult Social Care Total</b>		<b>49,268</b>	<b>28,398</b>	<b>500.2</b>				<b>2,285</b>	<b>2,130</b>	<b>1,380</b>
<b>S75 SPFT</b>										

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Community Care budget funding packages of care, support, residential/nursing care for people suffering a cognitive impairment (mainly dementia in older people); services will include Community Support, Home Care, direct payments, supported accommodation, residential/nursing care and specialist placements	Memory & Cognition Support  Approach based upon approximately 472 persons in the city with a dementia diagnosis	11,677	5,105		- Improving value for money by learning the lessons of effective models elsewhere that can maintain people at home longer and further reduce reliance on more traditional statutory services. Improving control of the care home market and provide increased community solutions. Continue with the agreed Direction of Travel for Adult Social Care: increased emphasis on effective information, advice and signposting to reduce demand. Continued development of a strength/asset based social work approach to lessen reliance on publicly funded services. Integration of front line teams with health and other partners to create efficiencies	Lower cost (i.e. reduced funding requirement) for new placements and through targeted reviews of current placements, making use of community assets to reduce reliance on high cost services.	Delivery Risk: Primary risk is that eligible need continues to grow which would impact on achievement of full saving. Managing the demand for and cost of provision is key. Availability and affordability of supported living options and nursing home care in the City remains a risk.  Impact on Outcomes: Increase provision of block contract beds within the City. New provision of Extra Care Housing in the City for clients with dementia will provide an alternative to residential care for some.  See EIA 13	94	141	188
Community Care budget funding packages of care, support, residential/nursing care for people suffering a functional mental illness services will include Community Support, Home Care, direct payments, supported accommodation, residential/nursing care and specialist placements	Mental Health Support  359 budgeted capacity for 2017-18	6,106	4,728		- AS per direction of travel, model of increased personalisation to reduce reliance on public funded services. Improving value for money by learning the lessons of effective models elsewhere that can maintain people at home longer and further reduce reliance on more traditional statutory services. Increased use of supported accommodation will reduce the reliance on residential and nursing care.	Lower cost (i.e. reduced funding requirement) for new placements and through targeted reviews of current placements, making use of community assets to reduce reliance on high cost services. Involves continued review of cost of placements, reductions in waiver use, and reviews of S117 placements to reduce costs and/or increase client contributions.	Delivery Risk: Managing demand and costs of provision is key to achieving reducing funding requirements. Re-admission to hospital and not meeting complex needs in an appropriate manner could result if the model is not implemented effectively. Requirement for EIA subject to service specific proposals.  See EIA 14	199	199	67

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		£'000	£'000					£'000	£'000	£'000
Assessment & Support and Intervention Team (SIT). Social Work teams delivering statutory duties under the Care Act to assess eligible needs, intervene where people are at risk to themselves, others or the community. Deliver statutory duties under the Mental Capacity Act, Mental Health Act Safeguarding Vulnerable Adults, Deprivation of Liberty Safeguards (DoL's)	Section 75 Staffing teams Including: Mental Health Homeless Team Assessment Treatment Service Living Well with Dementia Service Adult Mental Health Practitioners (AMHP) Crisis Resolution Home Treatment Team (CRHTT) Mental Health Management	2,995	2,854	45.7	No further reductions to front line staff are planned as per the Direction of Travel as this would affect the ability to deliver the statutory duties and savings identified above.					
<b>S75 SPFT Total</b>		<b>20,778</b>	<b>12,687</b>	<b>45.7</b>				<b>293</b>	<b>340</b>	<b>255</b>
<b>INTEGRATED COMMISSIONING</b>										
Commissioning & Contracts	Support to Carers	326	265	-	Contracts have been reviewed and savings delivered	Reprocurement of the Carers Hub.	Delivery Risk: No risk. This saving has been achieved through new carers contract	-	-	-
Commissioning & Contracts	Adults Commissioning & Performance Team Executive Director Adult Services Safeguarding Team	1,972	1,370	38.0	It is anticipated that joint commissioning will deliver efficiencies moving forward. The commissioning function is supporting the delivery of savings across Health and Adult Social Care, however with shadow arrangements not stating until April 2018 no savings have been identified for 18-19.	Integrated commissioning and contract management with CCG/ BHCC. The commissioning function is contributing to the delivery of savings within Health & Adult Social Care.		-	-	70

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Commissioning & Contracts	Integrated Commissioning including: Mental Health and Sensory Preventive Contracts Independent Mental Health Advocacy Home Care Provider Support incl. DPS and ECMS systems	1,118	1,059	-	The development of future commissioning strategies remains ongoing with intended completion for 2018-19.	Impact of joint commissioning and contract management will generate efficiencies moving forward. 2018-19 savings will be achieved through the procurement of ECMS (Electronic Call Monitoring system) and the savings associated with the new model and system. Additional savings will be achieved through contract reviews over the next 18 months.	Delivery Risk: Successful recommissioning of the service within the timescales.  Impact on Outcomes: No impact expected.	128	120	-
Commissioning & Contracts	Self Directed Support	146	146	-	Retendering of the contract is due and efficiencies identified as part of the reprocurement process.	Public Health & Adult Social Care (ASC) fund a coordination contract for preventive services across the city. Self Directed Support is also funded by ASC & Children's Services. Efficiencies might be identified when the retendering process is completed.		19	-	-
Commissioning & Contracts	Learning Disability Development Fund	98	98	-	There is a need for good engagement as a result of special educational needs and Learning Disability strategy.	Funding is being used to deliver efficiencies within the learning disability budget.		-	-	-
Housing Related Support	Housing Related Support & Homelessness Prevention Contracts	5,240	5,227	-	Considerable savings have been taken out of this budget and services have been recommissioned, ensuring value for money within the current service provision. These recommissioned services are supporting the delivery of the rough sleepers strategy.	Significant funding reductions in previous years, services have recently been recommissioned and there are increasing demands.		-	-	-
<b>Integrated Commissioning Total</b>		<b>8,900</b>	<b>8,165</b>	<b>38.0</b>				<b>147</b>	<b>120</b>	<b>70</b>
<b>PUBLIC HEALTH</b>										
Public Health	Ring-fenced Public Health Grant	-	(20,619)	n/a	Known reductions in Ring-fenced grant allocations will be dealt with via service pressure funding					

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
Substance Misuse	Substance Misuse services inpatient detox beds	5,491	5,397	0.0	Recently undertaken procurement exercise and new Community Substance Misuse contract began 1st April 2015. Further negotiations took place during the first year with the lead provider to reduce the contract value in return for a longer term saving.	The £28k savings are the final reductions in funding for in-patient detoxification treatment; however the core funding for in patient beds remains unchanged from 2017-18. Plans for any further reduction in the Community Substance Misuse Service budget are still being finalised.	Delivery Risk: None Impact on Outcomes: None	600	28	20
Sexual Health	Commissioning of sexually transmitted infection (STI) prevention and treatment, contraception, HIV prevention and advice services.	4,879	4,879	1.0	A service re-design was undertaken in 2014 and a new 3-year contract for integrated sexual health services (ISHS) began in April 2015. Current contractual obligations for the ISHS end March 2018. Further savings will be achieved from this budget in 2018-19 through negotiation or re-procurement	The integrated sexual health service and chlamydia screening programme budgets will be reduced by £600k in total through negotiation with current provider or re-procurement.	Delivery Risk: There is uncertainty on the future of the NHSE commissioned level 2 sexual health service at Brighton Station Health Centre beyond April 2019. If the service closes this will place significant additional demand and cost pressure on the integrated sexual health service, estimated at £400k pa.  Impact on Outcomes: Reduced funding of Integrated Sexual Health Service may lead to a reduction in the overall number of patients treated if alternative approaches cannot meet needs.  See EIA 15	112	600	105
Children 5-19 Public Health Programmes	This covers predominantly adolescent prevention services.	5,307	5,217	6.4	Review and redesign of Integrated health commissioned services for young people	Ongoing discussions with children's services on the redesign and reprovision of these services and the associated savings (£55k). Responsibility for funding the schools wellbeing service transferring from public health to the CCG. (£16k).	Delivery Risk: ongoing discussions with children, families and learning directorate about the reductions.  Impact on Outcomes; generally small reductions which should have limited impact if picked up in the new service provision.  See EIA 16	798	71	15

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Health Improvement	Commissioning and Delivery of Healthy Weight Programme and a range of general prevention and health promotion services.	5,524	5,107	48.5	Where possible, services will be re-procured to maintain service delivery at a lower cost. Additional savings will be made by reducing programme spend.	The weight management service is currently being re-procured with a reduction in contract value of £50k from April 2018. Additional savings of £27k from a change in approach to supporting breakfast clubs. The contract for the weight management clinic for children with complex needs funded by public health is ending; there are ongoing discussions with the CCG and other agencies around future pathway for this clinical service (£29k). Savings of £6k from hospital smoking service through change of data analysis to in-house provision. Following a review of options a reduction in funding for the free swimming programme is proposed (£25k).	Delivery Risk: Proposed savings following a review of the options for future free swimming provision for children may not be acceptable.  Impact on Outcomes: The re-procurement of service will aim to minimise the overall negative impact on outcomes. Risk of reduction in take up of services by people in more disadvantaged groups.  See EIA 16	638	137	339
<b>Public Health Total</b>		<b>21,201</b>	<b>(19)</b>	<b>55.9</b>				<b>2,148</b>	<b>836</b>	<b>479</b>
<b>Health &amp; Adult Social Care Total</b>		<b>100,147</b>	<b>49,231</b>	<b>639.8</b>				<b>4,873</b>	<b>3,426</b>	<b>2,184</b>

## Economy, Environment & Culture Directorate

### Services and Responsibilities

The Economy, Environment & Culture directorate provides services that aim to maintain an attractive, sustainable and well run city for residents, business and visitors. The directorate includes the following services:

- **City Development & Regeneration** – Leading the council's work with Greater Brighton and city partners to develop a strong and prosperous economy. Delivering major regeneration and projects, Planning and Building Control services, and developing new affordable homes through the Living Wage Joint Venture and New Homes for Neighbourhoods Programme.
- **City Transport** – Maintaining, managing and improving the city's transport network & highways infrastructure, including the delivery of major infrastructure projects working closely with Department for Transport and Coast to Capital Local Enterprise Partnership (LEP). Effectively regulating traffic management and parking services to deliver reductions in congestion and improvements in air quality. Management of surface water flooding, sea defences and coastal structures
- **City Environment** – Delivering a modern commercial approach to waste and street cleaning services with a focus on getting basic service delivery right, income generating opportunities, rethinking the management of parks and opens spaces, sport and leisure facilities, outdoor events and seafront management, including delivery of the Stanmer Park Masterplan.
- **Property Services** – Leading the council's property strategy, commissioning and delivery of corporate and commercial property services with an emphasis upon an investment strategy that delivers new revenue streams from our assets and keeping the council's operational assets safe and fit for purpose. The council's property and land portfolio includes operational assets such as council offices, town halls, heritage, schools and leisure centre assets and commercial properties and agricultural farmlands.
- **Cultural Services** - Leading the future of the city's unique arts, cultural and tourism offer and expanding this for a wider city region. Establishing a new Cultural Trust for the Royal Pavilion and Museums and progressing the Brighton Waterfront Project to secure a new conference centre and venue for the City. The Royal Pavilion and Museums (RPM) comprises five sites open to the public and eight other historical sites/ monuments. Our tourism and visitor services include the management of the Brighton Centre and our 'Visit Brighton' destination marketing services.

### Strategy and Key Proposals

Over the past year, services in the Economy, Environment & Culture directorate have delivered £4.7m (15.0% of net budget) savings. The Integrated Service & Financial Plan proposals for 2018-19 to 2019-20 set out savings proposals of £3.05m (11.5% of net budget), of which over half, £1.6m (6.0% of net budget), are within 2018-19. These will be achieved through a mixture of commercial approaches to generating income, establishing alternative delivery models, service redesigns and transformations, changes to commissioning, and other proposals.

The budget strategy focuses upon improving the efficiency of services to maintain the city's infrastructure and environment, whilst working increasingly with partners, communities and businesses to find alternative ways to share environmental responsibilities, whilst also seeking to



operate more commercially to generate new income streams, reduce costs, and become financially more self-sufficient through growth and increased civic participation.

The directorate provides strong civic leadership to enable investment and economic growth and city infrastructure which is clear about the benefits to local people, working with Coast to Capital LEP and Greater Brighton city region and South East 7 (SE7) partners to attract external investment, increase economic resilience, improve transport connectivity and local access to jobs, apprenticeships and housing.

Long term capital investment to renew and strengthen the infrastructure of the city will continue, to ensure effective management of the highways network and improve air quality, along with the delivery of major regeneration projects to bring about quality new business space and affordable housing whilst generating income from land and property assets and increasing business rate and council tax returns.

The directorate also plays an important role in supporting the arts, culture and heritage sectors of the city. The jobs in the cultural, creative and tourism sectors collectively make up nearly a third of the city's employment and the council owns much of the city's essential heritage and cultural infrastructure.

Our property services will continue the Corporate Landlord approach to make best use of the council's operational and commercial portfolios through redevelopment and regeneration opportunities. It continues to evolve the commercial portfolio through a rebalancing strategy and provide an increasing return on rental streams in the long term and support the council's modernisation programme enabling service re-designs and ensuring capital receipts are maximised in support of the council's capital investment programme and Medium Term Financial Strategy.

## Economy, Environment &amp; Culture

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Transport	24,684	(8,208)	157.1	1,238	455	491
City Environmental Management	32,100	27,066	487.4	1,025	511	436
City Development & Regeneration	4,878	2,514	101.4	420	221	133
Culture	12,651	4,101	186.0	335	121	81
Property	14,148	1,036	102.3	1,668	274	324
<b>Economy, Environment &amp; Culture</b>	<b>88,461</b>	<b>26,509</b>	<b>1,034.2</b>	<b>4,686</b>	<b>1,582</b>	<b>1,465</b>

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
ECONOMY, ENVIRONMENT & CULTURE										
TRANSPORT										
Head of Transport and Policy	Head of Transport and Policy	360	360	4.0	Non statutory but important to retain provision as the service provides essential resource to support and manage Transport Division, deliver the Local Transport Plan and other major capital projects, including service delivery, research, securing external funding, public engagement, data monitoring and analysis.	Implement Service Redesign proposals confirmed December 2016 which took into account Management Spans and Accountability principles for designing the structure. Includes one off vacancy management savings of £0.070m for 17-18 whilst redesign recruitment underway and an increased in year (one year only) saving of £70k above target was achieved in 2017-18 whilst the service redesign was implemented and staffing levels normalised via recruitment etc. A full complement of staff will be in place for 2018-19 and therefore this funding needs to be reinstated and the one off	Delivery Risk: Reduction in resources may impact on income collection and supporting capital schemes.	150	(70)	

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
						saving returned to the budget line from 2018-19 onwards.				
Highways	Highways Inspection and Licensing	736	342	19.6	This is a statutory function, managing objects and obstructions on the public highway including skips, scaffolding, hoardings, tables and chairs, abandoned vehicles & bicycles. Management of these objects generates significant levels of income as well as providing a highly respected, efficient, service.	Closer integration with Streetworks permits to streamline processes and improve efficiency, a new ICT system was introduced in November 2016 to enable customers to licence objects via mobile phone, PC or other device, making the process easier and faster, reducing paper based procedures and office based staff time; Staffing savings are included in service redesign above.	Delivery Risk: Any further reduction in resources may impact on income collection and supporting capital schemes as such no further savings are proposed for this budget.			
Highways	Lighting and Illuminations	2,780	2,698	4.0	Seafront festoon lighting & amenity lighting of public realm supports the visitor economy. Business Case for Invest to Save to PR&G Committee December 2016 generates savings in electricity and maintenance costs through modernisation of equipment from 2018 onwards.	Invest to save proposals will generate savings from 2018 onwards as the investment in low energy/efficient lanterns and columns will deliver reduced electricity and maintenance costs. Seafront festoon lighting maintenance costs of £0.050m will continue to be funded through receipts from BA i360 that are ringfenced for the seafront.	Delivery Risk: Continued deterioration of equipment without future investment.  Impact on Outcomes: Community safety & resilience is supported by effective street lighting.	52	152	252
Highways	Network Management and Winter Maintenance	3,390	2,558	14.8	This is a contractual obligation and a statutory duty. If the authority can demonstrate that it has a maintenance regime, which includes routine inspections and repairs, then it has taken reasonable care. Under the Section 58 defence it is recognised that the authority is carrying out the right functions to look after the condition of the highway correctly. The inspection & maintenance regime militates	Spending on reactive maintenance is being reduced by 12% over the four year period. For Winter Maintenance need to encourage community resilience.	Delivery Risk: This budget responds to all genuine safety hazards such as road maintenance, broken paving etc and significant cuts could put the council at risk of increased insurance claims.  See EIA 17.	94	44	44

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					against circa £5 million insurance claims to the council.					
Highways	Traffic Signals and Systems	995	966	3.1	These budgets represent the installation and maintenance of Real Time Information at bus stops, traffic signals, Variable Message Signs, CCTV and traffic signals. There is a statutory duty to maintain this infrastructure. Cost per traffic signal site is in the mid-range quartiles of authorities sampled.	Maintenance is already at a minimum and to achieve further savings traffic signals would need to be decommissioned. Savings were delivered in 2016-17				
Highways Engineering	Highways Engineering	934	934	8.0	Statutory duty to maintain highway structures, coastal structures and to mitigate floods. Includes statutory inspections which are essential for safety. Draws in DFT funding to support Highway assets and funding from other agencies to bid for seawall and groyne projects. Staff costs are wholly recharged to capital.	An increased focus on preventative maintenance could lead to a larger proportional reduction in reactive maintenance producing long term savings for the council				
Parking Services	Civil Parking Enforcement (On-Street Parking) 1. Off-Street & Leased Car Parking. 2. Parking Infrastructure and Maintenance	12,631	18,002	70.2	Staff resources create & amend resident parking zones; maintain on street & off street pay parking payment machines.	Savings from repayment of borrowing (now complete). Additional income through; investment in blue badge fraud investigation, a growth in visitor numbers, additional permit holder takeup and the review of measures to manage demand and congestion.	Delivery Risk: Any funding required for future off street car park refurbishment would need to be part of a business case based on future income or using any potential increased surplus in future years. Impact on Outcomes: Improved resident satisfaction.  See EIA 18.	679	209	195
Transport Planning & Road Safety	Transport Planning and Policy. Road Safety and Education.	1,517	828	28.4	Traffic Management and Road Safety service costs are low compared to other authorities and includes resources and staff costs for physical measures, campaigns, presentations & community events aimed at our priority	Increase in commercial income through new advertising opportunities and reduced funding allocation to the Sussex Safer Roads Partnership. Savings delivered in 2016/27 and 2017-18 with no further savings in 2018-19.	Delivery Risk: Poor take-up of customers for speed awareness courses or advertising space would impact on delivery of this saving.	93	-	-

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					road user groups. Delivers Local Transport Plan, other key capital projects and statutory functions such as Road Safety Investigation and subsequent measures. There are 22 school crossing patrol sites.					
Transport Planning & Road Safety	Public Transport	1,341	1,108	5.0	Need for budget to commit to contracts for supported bus network after 2017 tender process	Saving will come from other budget lines within Public Transport namely marketing budgets and funds previously allocated to the repayment of unsupported borrowing which is now no longer needed. In addition an increase in income is expected from Bus Shelter Advertising which will enable the target of £120k to be met.	Failure to achieve projected advertising receipts from bus shelters could impact on the delivery of savings	170	120	
<b>Transport Total</b>		<b>24,684</b>	<b>(8,208)</b>	<b>157.1</b>				<b>1,238</b>	<b>455</b>	<b>491</b>
<b>CITY ENVIRONMENTAL MANAGEMENT</b>										
Sports Facilities	Sports Facilities Contracts, non-contract facilities and golf courses contract	1,221	837	4.0	10-year contract let in 2011 which generated a saving of £1.5m per annum and enabled funding for re-investment to keep existing facilities open. Some savings are possible from energy costs and client responsibilities in the Sports Facilities Contract. However, the existing sports facilities contract ends in March 2021 and the facilities within the contract (potentially including a new King Alfred) together with market conditions at that time will determine the financial impact upon the council. Similar for the golf courses contract which is due for re-tender in 2019-20.	Savings are proposed from client responsibilities for the King Alfred Leisure Centre which has received significant investment in recent years (e.g. refurbished pool changing rooms) to enable continued operation.	Delivery Risk: Low risk provided there is not a significant failure within the existing facilities which is an on-going risk of ageing facilities.  Impact on Outcomes: There should be a minimal impact on the service provided in the existing sports facilities, but significant capital investment (including a new King Alfred) is needed to increase the quality of provision to modern standards.	90	76	41
Seafront Services	Seafront Properties, Volks Railway and	1,064	(1,144)	23.4	Essential service to ensure the management of the seafront,	Development of Seafront Investment Plan. Opportunities	Delivery Risk: Poor condition of seafront infrastructure (e.g.	10	85	10

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
	Seafront Services				which is a prime asset of the city and key contributor to the city's tourism economy. Maximise income and continue with existing service due to the health and safety risks of the seafront operation.	created by new developments such as the new seafront arches and high occupancy rates of existing premises have increased income from the seafront property portfolio.	closure of Madeira Terraces and Shelter Hall) can negatively impact upon income from properties. Tourism market conditions can influence the number of visitors to the seafront. Overall, low risk providing there is an on-going programme of investment in the seafront.			
Outdoor Events	Outdoor Events	249	(12)	3.0	Facilitates the delivery of the city's outdoor events programme, with over 300 events annually. Outdoor Events have a significant economic benefit to the city.	Savings have been previously delivered in 2016-17 and 2017-18 by reviewing event contracts to reduce expenditure by the council and increase income. The position has currently been reached where the events income target is difficult to achieve and therefore no further savings are proposed.	Delivery Risk: Risk that the condition of Madeira Drive may result in a loss of events and subsequent income. The events programme is constantly changing with a subsequent risk to the levels of income generated.  Impact on Outcomes: Expected minimal impact provided events programme can be maintained with significant income generating events.	50	-	-
City Clean & Parks Management	City Clean & City Parks Management and Projects, Strategy & Administration	1,454	1,353	34.9	Reducing spend on supplies and services budgets as the overall service reduces in size.	An 8% reduction in supplies and services budgets for 2018-19 across the service. Note that a 13.7% reduction was applied in 2016-17 and 6% for 17-18. There will be further reductions to be applied in 19-20.	Delivery Risk: Low risk in early years but there is a risk that demand and expectations exceed budget.  Impact on Outcomes: Low impact; as service reduces, the requirement for consumables will reduce.	75	100	75
					Service redesigns have enabled efficiencies and cost reductions within City Clean and City Parks services.	Vacancy control and a review of the Management and Administration spans of control across the service in accordance with Management Spans & Accountability (MSA) principles. Large savings were delivered in 2016-17 and 2017-18 with no further savings for	Delivery Risk: Redesigned service will need to manage demand. Primary risk that vacancies do not occur as expected or demand exceeds resources.  Impact on Outcomes: Low impact if service redesign	150		

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						18-19.	effective.			
City Clean	Refuse Collection, Recycling Collection, Street Cleansing and Fleet & Vehicle Management	10,526	9,694	294.7	The following services are statutory - Refuse, recycling and street cleaning, which must maintain financial and operational performance to ensure service delivery	Savings represent net income (i.e. after any additional costs) from increased income generating schemes such as commercial waste collection service, textiles collection and potential advertising on big belly bins.	Delivery Risk: Risk that future income targets are lower than estimated.  Impact on Outcomes: Low impact if service redesign effective.	400	100	60
City Clean	Public Conveniences	716	702	-	Public conveniences are not a statutory service but are linked to the support of the visitor economy.	Reprocurement of the cleaning and maintenance contract to deliver contract savings for 17-18 and 18-19. There are no proposals to close any additional sites through this retender. Potential to generate income in future years.	Delivery Risk: Charging to be approved by Committee. Impact on Outcomes: Improved outcomes/service through charging (better financial viability).	100	75	50
City Parks	City Parks	2,538	2,274	102.1	Cost of service per household is £38.85, which compares to average cost of £30.76. 7 Green Flag standard parks. The small team develops the strategies that will shape the future of park & open space usage across the City - e.g. Open Space Strategy, Play Pitch / Play Area Strategy / HLF Funding Bids & S106 developments.	New delivery model of parks service, e.g. potential for community and trust run services in future years. Savings delivered in 2016-17 and 2017-18 through merger with Sport and Leisure functions. Savings from open Space Strategy moved from 2018-19 to 2019-20.	Delivery Risk: Options appraisal to be developed with full business case for preferred options with two year lead in. Proposal would significantly reduce capacity to deliver key park projects including Stanmer, Open Space Strategy and S106 projects.  Impact on Outcomes: Expected improved outcomes for parks and open spaces.	50	-	200
City Parks	Conservation and Arboriculture	905	893	22.3	Retain Conservation and Arboriculture services focusing on volunteering, engagement, public rights of way work and the inspection and maintenance of trees in the city. Brighton has a rare tree collection and there are an estimated 12,000 street trees, for which some of the maintenance work is sub-contracted out.	Savings of £0.102m were included for 2016-17 as part of last years budget setting. No further savings are proposed	Delivery Risk: None Impact on Outcomes:			
City Parks	Sports & Recreation	60	(282)	3.0	Adopt a commercial approach	A review of sport and recreation	Delivery Risk: Business case	100	75	

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
	Bookings & Allotments				promoting self managed sport and recreation facilities by users alongside full cost recovery. This covers bowling clubs, tennis courts, football, cricket pitches and allotments.	subsidies through consultation. The Council currently provides a high level of subsidy to non statutory sport and recreational services, the delivery model for which is in need of modernising to reflect national best practice where clubs, groups and associations are becoming less reliant on Councils.	development is at different stages for each sport and different parts of the city. Consultation with sports groups taking place. NB: A proportion of this saving maybe delivered through savings in property budgets. Impact on Outcomes: No impact on outcomes if the strategy is successful.			
Waste PFI	Refuse and Recycling Disposal	13,367	12,751		- Service is at average cost per head of population compared with CIPFA nearest neighbours. Note: BHCC costs include construction and operation of Private Finance Initiative (PFI) facilities.	Savings were delivered in 2016-17. A review of the economic and performance assumptions in the PFI financial model will not generate any savings for 2018-19.	Delivery Risk: None			
<b>City Env Management Total</b>		<b>32,100</b>	<b>27,066</b>	<b>487.4</b>				<b>1,025</b>	<b>511</b>	<b>436</b>
<b>CITY DEVELOPMENT &amp; REGENERATION</b>										
Assistant Director Development & Regeneration	Asset Management	194	194	2.0	Merger Planning & Building Control with the City Regeneration Service took place in 2016-17 to create efficiencies in service provision particularly in areas such as sustainability advice and strategic planning policy for regeneration.	The merger of Planning & Building Control with the City Regeneration Service in 2016 resulted in management savings (a reduction of 2 FTE managers), No further savings proposed for 2018-19.	Delivery Risk: No risk.			
Economic Development, International & Sustainability	Economic Development, International Team, Sustainability - Biosphere Delivery	849	687	13.7	The Economic Growth function within Development & Regeneration consists of Economic Development, International and Sustainability services. The Economic Development Service is the only council service that is focused on helping business to survive and thrive and the initiatives budget is significantly smaller than neighbouring authorities (e.g. BHCC ED £0.090m / WSCC £0.600m). The Service	A 10% cut in the initiatives budget has been delivered through stronger collaboration with partners. The deletion of a vacant programme support officer post and more flexibly support across the regeneration units resulted in savings being delivered in 2016-17 and 2017-18.	Delivery Risk: A 10% reduction in the initiatives budget is low risk. Reduced support capacity may lead to less focus upon some sustainability and economic development work. Impact on Outcomes: If costs for delivery are shared there may be a reduction in the outcomes for projects locally.	45		



## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					was restructured in 2015/16 to better reflect service priorities and is now more streamlined and focused on new operating practices that will help to bring a more robust management and reporting structure to the team's activities. It is recommended to retain this service.					
Major Projects and Regeneration	Major Projects and Regeneration	283	283	6.6	Retain the current team of four project managers delivering the City Regeneration programme of 13 major regeneration projects. Benchmarking with Bristol, a comparable city with similar regeneration goals and focus on sustainable regeneration, has shown that Bristol direct spend on major projects is considerably higher.	As well as investing in the future of Brighton & Hove and delivering economic growth for the City, new income is generated through completion of regeneration schemes through new business rates, council tax revenue and New Homes Bonus (N.B relates to projects that are additional to assumptions in MTFs). By way of an example, Circus Street has started on site, and Preston Barracks was granted consent at the end of September 2017.	Delivery Risk: With several major regeneration projects progressing and significant capital funding allocated for projects through the City Deal and Growth Deal there is a risk to delivering a large scale complex regeneration programme with a small team of 4 project managers. Reduced support capacity may lead to less focus upon some sustainability and economic development work.	165	67	45
Head of City Planning	Planning	832	832	20.6	Retention of this high profile service is recommended. There is a political and reputational impact to performance issues associated with planning. A modernisation programme is underway with a focus upon improving performance and customer service. Merger of Planning with the City Regeneration Team took place in 2016-17 to create efficiencies in service provision particularly in management and areas such as sustainability advice, strategic planning policy' and regeneration resulting in a net reduction of 2 fte managers.	Efficiency savings proposed through cost recovery including a process currently being undertaken to review charging of pre-application advice, introduce new charges, recover viability assessment payments more effectively and streamlining the process for agreeing planning performance agreements. There are also further efficiencies still to be delivered through improvements to the new ICT system that was put in place in Sept 2016. BPI recommendations are due to be implemented by March 2018 (starting now)	Delivery Risk: Savings in 18-19 and 19-20 will need to be funding through efficiencies and staff savings (admin and planning). The risk is the tension between making savings by deleting posts across the latter two year period and providing an efficient service and making additional income by generating work and improving customer service. Impact on Outcomes: loss of resilience to take on additional work and grow income. This can be mitigated by removing the need to delete posts by generating more	93	45	45

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
							income. Report to TDC Cttee in September.			
Development Planning	Building Control	773	(76)	17.9	Retain this service as it recovers costs where possible through charging.	Ongoing service design improvements, including reducing the use of consultants for regulation of sports grounds and directly employing expertise. Develop a sustainable BC service in context of a number of Senior Surveyors nearing retirement, recruitment challenges and replacement of seniors with new Assistant / Trainee staff. This will support good succession planning while providing for the training and development needs of the service and achieving the efficiency savings. There will be a commitment to comprehensively review fees in 2018-19.	Delivery Risk: ICT support is essential to deliver robust mobile working solutions to assist in delivery of service. Negotiations to bring consultancy expertise in house are key. Impact on Outcomes: No impact on outcomes - service will be maintained but at a lower cost. These savings are assured.	26	10	10
Development Planning	Planning Control Applications	1,215	(117)	27.1	A modernisation programme has been undertaken to improve performance and customer service. A Business Process Improvement (BPI) review was completed in July 2017 and implemented with the aim of delivering efficiencies in administration of planning application. The service is recovering more of its costs through the introduction of pre-application charging and Planning Performance Agreements and introduction of other charges.	Amendment to previously identified saving for 2018-19 to reduce the saving from £124k to £70k; and to remove saving that was identified for 2019-20 (£59k). This will allow savings to be made from increased income and staff efficiencies and allow a large proportion of the fee income arising from national fees increase of 20% (that are estimated to equate to £220k per annum) to be invested in developing a sustainable planning service.	The Chief Financial Officer was required to sign a legal agreement by the DCLG to ensure the additional fees generated must be invested in the Planning Service.	59	70	-
Planning Policy and Major Projects	Planning Policy and Major Projects	732	711	13.5	Retaining this statutory service. Comparison with private sector rates indicates that use of the council's in house specialists	Develop opportunities to charge for staff expertise including Heritage and planning projects (probably being co-ordinated	Delivery Risk: Risk that the market does not buy these services and capacity for staff to deliver income whilst carrying	32	29	33

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					(such as Heritage Team) represents a saving. Development of City Plan Part 2 will include a gradual reduction in the use of consultants as the City Plan part 2 progressively reaches adoption.	through the sub-regional Strategic Planning partnership). Income raised by advice given as part of pre-app advice process and PPAs, heritage and policy advice. The service is also at the end of a process to realise additional savings through cuts to Consultancy Budgets, with in-house expertise being prioritised over purchasing consultancy advice. In addition income raised through Design Panel of approximately £9k pa.	out substantive work. Savings to consultancy budget in 2018-19 - additional savings to budget will prejudice the need for additional studies that may need to be undertaken in 2018-19 (this is less likely to be the case in 2019-20 when City Plan Part 2 due to be adopted)  Impact on Outcomes: Negligible impact if re-prioritisation of work is successful. None, if plans are adopted according to plan. Income can be added from pre-app advice, PPA work and Design Panel.			
<b>City Dev &amp; Regen Total</b>		<b>4,878</b>	<b>2,514</b>	<b>101.4</b>				<b>420</b>	<b>221</b>	<b>133</b>
<b>CULTURE</b>										
Royal Pavilion & Museums	Management of 5 sites open to public, 8 other sites of historical importance, off site store. Lead Museum Service for SE Museum Development	7,061	1,526	135.1	The Royal Pavilion & Museums are a nationally significant museums service with an international profile through the Royal Pavilion and Brighton Museum. The Socio-economic impact of the Pavilion was c£28m to the city in 2012 and the iconic impact was calculated to be c£60m in 2006 in a University of Brighton study. In addition to its contribution to the tourist economy it contributes to a range of social and educational outcomes for residents and visitors to the city. The strategy is to future-proof the service for social and economic benefit, community engagement and health & wellbeing through a new delivery model outside of council direct management.	1. Modernisation Programme. A new delivery model outside of council direct management will maximise earned income, tax benefits such as gift aid, tax rebates and fundraising. 2. Continuing to reduce staffing costs and assessing vacant posts as they arise. 3. Re-assessing the use of casual staffing to reduce costs through for example requiring non-front of house staff to cover for absenteeism. 4. New income from hiring of spaces not previously actively hired and additional function income. <b>Reinvested back into Royal Pavilion as part of the Budget Update Report for 2017/8</b>	Delivery Risk: Options for moving to a new delivery model require securing a permanent funding stream from the council and any delays in the project will impact on how savings are delivered and projects and programmes to which the RPM is committed. Impact on service delivery and ability to continue to meet accreditation standards avoid impacts on grant funding. Accreditation standards include care and documentation of collections which with staff reductions could risk achievement of targets set. Core budget reduction can impact on ability to raise external funds and staffing reductions and loss of museum professional staff may put projects and RPM national and	190	121	81

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					This will maximise commercial opportunities, earned income, tax benefits such as gift aid, tax rebates and fundraising.		international reputation at risk. Impact on Outcomes: Reduced capacity can impact on delivery of services and public expectations. Ability to deliver on grant funded projects and needs to be managed effectively to avoid impacting on the quality of the service offer. Potential risk that Arts Council will not fund RPM from 2018 onwards with drop in Local Authority funding of funding bodies not granting funds as the council contribution becomes less. However, this is a national situation. 2018-20 savings of £0.121m & £0.081m will be achieved through Business rate reduction on move to Trust which has a net saving effect through loss of Business Rate income to the council.			
Partnership Arrangements	Contribution to BDFL Trust in line with agreement, Archive service for the city through the Keep in accordance with agreement with ESCC and Sussex University	1,706	1,706		- Contractual grant agreement with Brighton Dome & Festival Ltd (BDFL), which includes an inflationary uplift each year with no break clause. The delivery of the Corn Exchange and Studio Theatre capital redevelopment relies on this continued level of support. Contribution to the Keep (modern archive facility) to ensure the continued safeguarding of the City's archives to meet the national archive standards for which there is a 3-year commitment to the same level of funding.	No savings possible but continue to review opportunities for increasing commercial revenue and reducing costs.	Impact on Outcomes: None expected.	(90)	-	-
Venues (Including Conferences)	Venues (incl Conferences)	1,939	(711)	38.5	The Brighton Centre is an important driver to the economy of the City. The VisitBrighton	To strategically manage and maximise the commercial potential of the diary. Savings	Delivery Risk: Low risk. However, these savings remove the potential for the budget	155	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					Convention Bureau will continue to deliver significant levels of Business Tourism to the City. The £1.247m 'Subvention' budget is ring-fenced to support conferences at the Brighton Centre (i.e. to support the visitor economy) and maintaining this budget is part of the Waterfront financial plan delivering strategic priorities. The primary strategy is to continue to ensure operational costs are as low as feasible while continuing to improve income generation.	delivered upfront in first 2 years with £180k delivered in 2016-17 and £155k in 2017-18 therefore no further savings identified for 2018-19.	funding future borrowing costs of the Waterfront development which will now be included in the Medium Term Financial Strategy (MTFS).  Impact on Outcomes: No impact on outcomes expected.			
Tourism	Marketing & Visitor Services	1,945	1,580	12.4	Full business case and option appraisal has been completed reviewing remaining in-house, outsourcing or shared service models. Recommendation is to retain the service because this option would achieve the savings targets identified in the 4 year savings plans, continue to provide the city and visitors with an impartial service, build on the good relationships with businesses across the city and allow a joined up approach with other council services.	Savings of £0.110m has been delivered from the operating costs budget for 2016-17 and service redesign delivered a saving of £0.080m for 2017-18. No further savings identified for 2018-19 as the 4 year savings target was delivered in the first two years.	Delivery Risk: Reduced capacity to deliver 'Visit Brighton' visitor services could lead to the council being perceived as not promoting and facilitating business in the City. The Visit Brighton network of member businesses helps to foster the relationship between the council and businesses within the city. The visitor economy is estimated at £815m and supports over 21,500 jobs. Any reduction in tourism services could negatively impact on these figures and the wider economy of the city.  Impact on Outcomes: There is an inherent risk of increasing the cost of the VisitBrighton Partnership with a large % increase in year 1, which could have an adverse effect on partners re-joining the Partnership scheme.	80	-	-
<b>Culture Total</b>		<b>12,651</b>	<b>4,101</b>	<b>186.0</b>				<b>335</b>	<b>121</b>	<b>81</b>

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
PROPERTY										
Property & Design	AD Property & Design	incl. below	incl. below	1.0	Reduction of existing Supplies and Services budgets.	Reduce budgets for non-essential spend. Savings delivered in 2017-18 none for 2018-19	Delivery Risk: None. Impact on Outcomes:	11	-	-
Customer Services	Customer Service Centres, Reception/Switchboard & Security	295	86	18.5	A new concierge model of service delivery. The overall rationale is that the 'meet & greet' and initial enquiry facility provided by the Customer Service Advisors can be removed as a result of services who currently use the Customer Service Centres (CSC) taking an end-to-end approach to working with their customers which removes the need for CSC staff to act as the first point of contact. The proposals have been informed by the CSC Business Process Improvement (BPI) review.	A changed model of delivery has been implemented. 'Channel shift' (e.g. from face-to-face contact to on-line) is expected to reduce the number of people using services face to face and the development of neighbourhood services and hubs will provide other access points.	Delivery Risk: Knowledge and skills of concierge staff will be critical to effective delivery. Space to accommodate duty staff at Hove Town Hall CSC will be necessary.  Impact on Outcomes: Design of end-to-end processes and effective channel shift should minimise any impact on customer satisfaction. BPI process undertaken during 2016 to minimise adverse impacts.	405	75	40
Facilities & Building Services	Printing, Scanning, Post & Couriers Cleaning, Waste & Security Premises & Helpdesk Building M&E Services	4,337	3,674	32.9	Post & Courier: stop manual post service. Introduce e-post to improve value for money and generate income. Also undertake service re-design. Print & Scan: Service redesign to consolidate all corporate print services and generate income. Facilities & Premises: Value for money assured through economies of scale of the 'Corporate Landlord' model and regular repurchase of outsourced services. Maintenance: careful prioritisation and monitoring of reactive maintenance requests.	Continue Corporate Landlord (CL) trading approach with further restructure following on from the imminent service redesign incorporating proposed changes to the Customer Service Centre (CSC) delivery model. Explore future service options through Orbis shared service partnership. Extend CL model to non-CL corporate clients. Savings delivered in both 2016-17 and 2017-18 with no further savings for 18-19.	Delivery Risk: Understanding of our exact support service overhead costs to trade competitively. Risk is that the customer service delivery model changes are not implemented affecting the significant amount of this saving  Impact on Outcomes: Reduction in maintenance spends & deterioration or closure of premises unless aligned to a comprehensive and agreed disposal plan.	192	-	-
Building Surveying & Maintenance	Building Surveying Services	1,989	977	15.0	Value for Money (VfM) Benchmarking is proposed - reputational and political risks	Reduction in building maintenance spend by prioritising work in accordance	Delivery Risk: From 2020-21 there would be no budget for new borrowing leaving the	455	25	25

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					associated with not correctly prioritising available funding. Continue Corporate Landlord commercial trading approach and service redesign. Retain in-house and extend traded service through Orbis and/or the Greater Brighton region to increase external fee income.	with the Building Maintenance Strategy and Asset Management Plan.	Planned Maintenance Budget short by £0.500m compared to this year. This could impact on future maintenance commitments and the council would need to review corporate resources/priorities in 2020-21 to augment the planned maintenance budget if that is the priority. There is a risk that the maintenance backlog would build up to an unsustainable level impacting on the appearance and reputation of the City.  Impact on Outcomes: Impact could be a reduction in maintenance spend & deterioration or closure of premises unless aligned to a comprehensive and agreed disposal plan.			
Architecture & Design	Architecture & Design Services	880	(198)	8.4	VfM Benchmarking. The team is 100% self financing through fees earned. The fee charges are benchmarked against the private sector to ensure VfM. The fees earned not only pay for the salaries of the team but contribute to the budget of Property & Design as a whole. This function supports delivery of new school places and new housing in the city which is a strategic fit with Corporate Plan priorities.	Continue Corporate Landlord commercial trading approach and service redesign. Retain in-house and extend traded services through Orbis and/or the Greater Brighton region to increase external fee income.	Delivery Risk: Failure to secure additional commissions resulting in reduced fee income. Understanding our exact support service overhead costs to trade effectively.  Impact on Outcomes: No impact on outcomes is expected.	60	30	30
Workstyles	Workstyles Programme Management	-	-	5.3	Value for money assured through close monitoring of the 'Workstyles' (office rationalisation and modernisation) business case.	Retain in-house until the completion of the Workstyles programme. Income generation at Hove Town Hall for letting of offices to be fully let by 18-19.	Delivery Risk: Programme risks are manageable and are set out in publicly available committee reports and within the Workstyles business case.	302	28	

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					This is a spend to save programme to ensure best use of our assets and has a political dimension.		Impact on Outcomes: Potential impacts are detailed in publicly available Workstyles committee reports and the business case.			
Education Property Management	Education Property Management	1,060	1,008	6.0	Value for money assessed through the provision of sufficient school places in the city and management of the schools investment programme. The provision of school places within the city has a political dimension. The team perform statutory duties required for education asset management, school places, DfE returns etc. Proposals is to retain the service in-house and explore future service options through the Orbis shared service partnership.	The DfE have awarded BHCC £4.9m per year over a 3 year period commencing in 2015/16. Increase 'Services to Schools' traded offer to include maintenance programme management.	Delivery Risk: If the DfE Capital allocation is reduced this could impact on the capitalisation costs available however the programme would be concurrently reduced requiring less potential management  Impact on Outcomes: No impact on outcomes is expected.	34	14	14
Asset Management	Asset Management	170	170	7.0	VfM Benchmarking. This function has a political dimension through our corporate property strategy & asset management plan with potential impact across all directorates. Explore future service options through Orbis.	Retain in-house with service redesign to avoid duplication and to achieve a greater degree of self-service functions. Potential for greater integration with Orbis partners for some functions.Reduced maintenance costs to Environment property arising from prioritisation of funding and reduction in maintenance obligations.	Delivery Risk: Disposals programme is reliant on political and service department buy-in to achieve savings targets. Need assessment to consider impact upon the capacity of the team to deliver on priorities. Impact on Outcomes: Reduction in maintenance spend & deterioration or closure of premises unless aligned to a comprehensive and agreed disposal plan.	50	77	40
Energy & Water Management	Energy & Water Management	1,608	1,539	2.8	VfM Benchmarking. This function fulfils a statutory function in compliance with Carbon Reduction Commitment (CRC), Display Energy Certificates (DEC) & (Energy Performance Certificate (EPC) schemes.	Continue Corporate Landlord trading approach with a small in-house team and an extension of traded services potentially within Orbis and / or the Greater Brighton region. Revised focus of service on key tasks - statutory, bill validation &	Delivery Risk: May impact on ability to trade with other public sector partners to achieve increased income levels within existing team resources. Understanding our exact support service overhead costs to trade effectively will be	49	-	-



## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
						'Services to Schools'. Savings delivered in both 2016-17 and 2017-18 with no further savings for 2018-19.	essential.  Impact on Outcomes: Reduction in staff posts will impact on the team's ability to provide strategic support in the future above their core tasks. Pressures may remain on the utility budget during exceptional winters in respect of heating fuel.			
Estates Management	Urban Investment Portfolio Management Rural Investment Portfolio Management In-House Estates Management	3,809	(6,220)	5.4	Value for money assured through regular outsourced re-procurement of the urban and rural portfolios day to day management consultancy services.  This function has an important strategic dimension and involvement in sensitive and confidential land and property commercial transactions.	Retain out-sourced services overseen by the small in-house team. Re-balance urban portfolio to derive sustainable income streams. Explore future service opportunities through Orbis / Greater Brighton. Continue CL trading approach with small in-house team. Reduction in NNDR (business rate) budgets and service charge budgets as properties are disposed of.	Delivery Risk: External economic and local market conditions may impact on anticipated rental income and our ability to rebalance the portfolio. Delivery risk for the end of the out-sourced contracts and OJEU (European procurement) lead-in period. Ability to trade with other public sector partners.  Impact on Outcomes: External market conditions may impact on our ability to generate the required additional income. Need for existing services in leased-in buildings to be relocated prior to lease end.	110	25	175
<b>Property Total</b>		<b>14,148</b>	<b>1,036</b>	<b>102.3</b>				<b>1,668</b>	<b>274</b>	<b>324</b>
<b>Economy, Env &amp; Culture Total</b>		<b>88,461</b>	<b>26,509</b>	<b>1,034.2</b>				<b>4,686</b>	<b>1,582</b>	<b>1,465</b>

## Neighbourhood, Communities & Housing (NCH)

### Services and Responsibilities

The NCH Directorate covers the following areas:

- Housing (council housing, Housing Strategy, Private Sector Housing, Temporary Accommodation and Homelessness, Travellers)
- Libraries
- Regulatory Services (Environmental Health, Licensing, Trading Standards and Emergency Planning)
- Communities, Equalities & Third Sector
- Community Safety

The directorate focuses on the issues affecting neighbourhoods, communities and housing aiming to be a landlord of choice, develop closer and better relationship with communities, drive improvement in customer satisfaction and develop the council's working with public service partners. This includes delivering a step change in partnership working with the third sector and enhancements in volunteering opportunities. The directorate has responsibility for:

- Delivering landlord services to council housing residents and maintaining the council's housing stock;
- Improving conditions in the private rented sector and delivering adaptations to help people live independently in their homes;
- Providing advice and support to prevent homelessness, and temporary accommodation for statutory homeless households;
- Delivering statutory library services across the city and Developing libraries as neighbourhood hubs;
- Closer engagement with local communities in the co-production of neighbourhood focused enforcement services;
- Leading the council's 'Prevent' agenda;
- Delivering volunteering opportunities where possible across common platforms with other public service providers;
- Improving customer satisfaction, complaints resolution and neighbourhood well-being across council services;
- Deepening the understanding across all services of city demographics and the practical measures to address communities of interest and neighbourhoods in need.

### Users of NCH Services

A selection of service user statistics and other service statistics are provided below for contextual information:

- Landlord to approximately 11,500 council tenants and 2,500 leaseholders
- Council tenant overall satisfaction rating of 81% and customer service satisfaction rating of 85% (independent STAR survey 2016); 57,000 telephone calls a year
- Annual tenant rents and service charges of £58m per year; capital programme of around £23m a year; let approx. 550 homes and agree 150 mutual exchanges a year, almost £10m investment in new homes in 2016; average of 93 repairs every calendar day
- Housing Options teams see approximately 4,000 homeless cases per year, of which around 1,000 result in a statutory homeless application 420 were accepted as statutory homeless this year. 15,000 phone calls and 9,000 contacts in the customer service centre; 1,000 referrals for supported accommodation that require assessment and recording on waiting list.

## APPENDIX 2

- Temporary accommodation– 1,950 households in temporary accommodation of which 1,500 are managed in house. Turnover of around 500 lets pa – almost equivalent to the whole council housing stock.
- Homemove – the Housing Register has reduced from over 26,000 down to 18,431 and the service still has a significant number to re-assess against the new policy, which will hopefully reduce this further. Housing continues to receive a high number of applications and reviews against people removed from the register.
- Currently license 3,352 Houses in Multiple Occupation (HMOs) across the city;
- Adaptations team receive at least 40 referrals per month, investing £2.2m (HRA and GF) in 405 major housing adaptations (2016-17);
- Community Safety, Anti-Social Behaviour and hate crime – 621 reports and enquiries dealt with in 2015/16. The Casework Team dealt with 1,375 witness and victim engagements, and 352 perpetrator engagements;
- Domestic violence and abuse: 1,462 referrals for domestic violence and abuse, 200 referrals for sexual violence;
- Three year investment programme in the community and voluntary sector supporting circa 140 groups annually and 40 with three year strategic grant;
- Over 1.4 million visits to libraries last year (2016-17) and over 1 million library items were lent out to borrowers.
- Over 1.2 million website user sessions on Libraries pages on the website, and there were 214,333 online transactions in libraries in 2016-17
- Libraries services achieved 93% satisfaction score from last year's customer survey.
- 1250 licensed premises in the city.
- Trading standards aim to save over £30,000 per annum for vulnerable consumers and small businesses in the City
- 1,112 pest control treatments and 1,673 revisits to these jobs;
- 2,411 noise complaints including both domestic and commercial requiring investigation;
- 147 work place accidents investigated;
- 298 investigations in relation to poor working conditions;
- 1,415 food premises due for inspection this year.

## Neighbourhoods, Communities &amp; Housing

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Director of NCH	141	124	1.0	-	-	-
Housing General Fund	22,727	4,948	111.9	1,689	364	93
Libraries	5,210	4,757	70.3	142	85	202
Communities, Equalities & Third Sector	2,470	2,232	9.4	480	35	135
Regulatory Services	2,525	1,512	71.2	220	129	90
Community Safety	2,623	1,217	15.0	71	40	31
<b>Neighbourhoods, Communities &amp; Housing</b>	<b>35,696</b>	<b>14,790</b>	<b>278.8</b>	<b>2,602</b>	<b>653</b>	<b>551</b>

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
NEIGHBOURHOOD, COMMUNITIES & HOUSING DIRECTOR										
Director	Director NCH	141	124	1.0						
HOUSING GENERAL FUND										
Housing Services	Whole of Housing General Fund service				This proposal is a target saving of £0.470m (full year effect from 2018-19) through service redesigns across housing services, potentially aligning with provision in other directorates. This reflects the need to continuously drive efficient practices and processes to protect investment in direct provision such as Temporary Accommodation.	No savings in 2018-19 as the savings target set in 2017-18 has yet to be met and is relying on the transformation of this service which is currently under pressure. The proposal for 2017-18 is a target saving of £0.470m (full year effect) which has yet to be fully identified through service redesigns within the housing services.	Delivery Risk: Plans to date have identified £0.172m of savings. The balance of savings will be met by any in-year underspends and by using the flexible homelessness support grant in the short term in order to allow lead-in time for the delivery of the Trailblazer project and the transformation of the service.  Impact on Outcomes: Capacity may be impacted across the service, particularly in the short term as service redesign and changes are implemented and	395		

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
							embedded.			
Housing Services	Homelessness -Housing Options and Homemove - supporting vulnerable households	1,298	1,258	36.7	Housing Options advice is a statutory duty meeting priorities of reducing homelessness. Outsourcing has been unsuccessful elsewhere. Medium cost - benchmarked independently. Although staff costs are high there is also a very high number of assessments completed relative to the number of households in the city (3 times our comparator group) so the unit costs per assessment are below median. Any further reduction of the Housing Options service may adversely impact on our ability to prevent homelessness. This service includes the Homemove Team who administer the Housing Register.	18-19 savings: Reduction of 1 x FTE Housing Options Officer post. However, the new homelessness legislation which introduces significant additional statutory duties put this at risk as council will need to increase capacity to deliver the required duties. 2017-18 Saving of £0.346m to increase work on prevention and reduce TA numbers by 100. Service redesigned to generate staffing efficiencies - of a further 1fte per annum over the next 2 years. Resources are being focused on homelessness prevention, integrating options and homemove to remove duplication whilst improving customer service and delivering a more holistic joined up service.	Risk of not being able to reduce the service by the HOO post due to the extra work needed as a result of the Homeless Reduction Act for which we may need more capacity and funding from the Government has been announced amounting to £550k over 3 years, which will pay for additional staff resources - however indications are that this funding will still not be sufficient to deliver fully the new duties. Withdrawing another Housing Options Officer who would be delivering the Homelessness Reduction Act would put further pressure on the service as there is still significant risk of being able to deliver all the new statutory requirements which are onerous.  See EIA 19.	346	36	36
Housing Services	Homelessness -Housing Options and Homemove - supporting vulnerable households				As above	18-19 - Housing Options team are undertaking homelessness reviews for Lewes & Eastbourne, Worthing & Adur and Hastings and aim to increase income by £0.010m. For 2019-20, the saving relates to a reduction of 0.4FTE in the homemove service once the new allocations policy has bedded in.	It is anticipated that additional income can be achieved in 18-19 but there is a risk as the new Homeless Reduction Act will likely result in more challenges to develop case law and there may not be capacity to undertake reviews for other local authorities if the team is working at max capacity undertaking our own reviews		10	11
Housing Strategy & Development	Housing Strategy & Development - enabling & delivering increased housing supply & quality.	158	108	7.4	Enabling development of new housing supply, including 65 affordable homes (2016-17), 131 projected 17-18 and further 573 in the pipeline with planning permission; Working across the	2018-19: No savings due to the £0.110m made in 16-17 and 17-18. The savings for housing strategy and development were front loaded and equate to approximately 40% of the pre	Delivery Risk: Resources not aligned to key areas of work risks failure to focus investment and service delivery on Housing Strategy priorities.	62		

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					City and sub-region (Greater Brighton) to accelerate delivery of new homes; Bringing over 150 long term empty homes back into use annually (159 in 2016-17) and therefore contributing to the generation of New Homes Bonus and inward investment. Improving the use of all housing resources through integration across housing services to deliver HRA investment, asset management and stock review in support of wider Housing Strategy priorities.	2016-17 budgets.  2017-18: Service redesign to create one Housing service is now complete and therefore savings in 2017-18 already achieved during 2016-17.	Impact on Outcomes: Improved outcomes for Housing Commissioning / Client side through integration of strategy, development, HRA asset management and stock review.			
Private Sector Housing (PSH)	Private Sector Housing & Integrated Housing Adaptations Service - improving housing quality in private rented homes, enabling accessibility & supporting independent living across all tenures.	1,071	484	29.4	Retain statutory service: Council & Greater Brighton (Devolution Prospectus) priority raising standards in the Private Rented Sector and conditions in HMOs. Currently license 3,352 HMO's and respond to 100 requests for assistance per month. PSH service is largely self funding through licence fees ring-fenced to administration of the current schemes. Integrated Housing Adaptations Service: Care Act assessment and administration of mandatory Disabled Facilities Grant (DFG). Working across all tenures receiving c50 referrals per month, invested £2.4m in 405 major housing adaptations (2016-17). Commissions new adapted homes and ensures best use of existing adapted/accessible housing. Promotes independent living demonstrated to deliver	2018-19: no savings due to £0.153m made in 2016-17 and 2017-18 which related to :a) Adaptations Service redesign reducing 1.5 fte's staffing to reflect focus on early intervention and preventative measures and ensure best use of existing adapted and accessible housing stock, b) maximise value for money through review of Adaptations Framework schedule of rates to reduce costs overall & maximising the volume of private sector grant assisted work through the Framework and c) where appropriate, further integration with HRA programmes. Also aim to increase income from Registered Providers and HRA funding for non-statutory service for tenants.	Delivery Risk: Medium Risk: Over and above delivery of 2016-17 savings, 1 fte staffing reduction achieved in anticipation of 2017-18 savings. Remaining staff reduction through turnover / redesign as the service is realigned to early intervention, prevention and best use of pan-housing investment and resources. Main risks are: rising demand for adaptations; budget pressures as a result of not being allocated Better Care capital in line with Govt allocation via DFG; managing demand and expectations whilst reinforcing a preventative approach, reducing the volume and capital expenditure on reactive adaptations in both council and private sector housing. Impact on Outcomes: Service redesign focussed on prevention and alternative	49		

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
					significant cost benefits.		investment options to reduce pressures on Better Care Budget.			
Temporary Accommodation & Allocations	Temporary Accommodation	19,494	2,468	33.4	External benchmarking shows that the costs are low. Statutory duty except for those households where accommodation is provided for Adult Social Care (ASC) teams and children's services. The budget provides both emergency and short term temporary accommodation through private sector leases, a framework of qualified providers and nightly spot purchases. Procurement approach being sought to access accommodation outside the city and the South East in areas where costs are lower.	Savings in 2018-19 include the potential development of new in-house units through commissioning a council housing stock review to deliver conversions of existing under-used or unused buildings or spaces into Temporary Accommodation and thereby saving an estimated £0.200m on more expensive spot purchase accommodation. Efficiencies in managing temporary accommodation will enable us to deliver savings of £68k in 18-19.	Impact on Outcomes: No impact on outcomes anticipated. This saving is predicated on new homes being available for TA at Oxford Street and Stonehurst Court, both of which are currently being refurbished (estimated 22 new homes). Currently Oxford Street plans have been delayed due to structural issues. Therefore £0.100m of this saving is at risk of delay and therefore there is a risk of a short term annual overspend in 2018-19 of £0.100m.	816	268	6
Travellers	Travellers	565	506	5.0	No benchmarking information available. New site and reinstatement of transit site should reduce the number of unauthorised encampments (UAEs) and associated costs, provide opportunities to increase income from the site and reduce maintenance costs on refurbish site. Savings from 2018-19 are from increased income from the sites and reductions in staff.	2018-19 savings are from increased income from the sites and reductions in staffing of 1 FTE. During 2016-17 and 2017-18 efficiency savings have been made from reducing waste removal costs and reduced legal fees for unauthorised encampments as a result of increased provision.	Delivery Risk: UAEs and movement of travellers are unpredictable and while a range of measures can be put in place to deter them there is no guarantee that they will reduce. Impact on Outcomes: If UAEs fail to reduce as predicted we could see a delay in evictions as we will not have sufficient staff to process court applications. However we would not consider the risk of this to be high.	21	50	40
<b>Housing General Fund Total</b>		<b>22,727</b>	<b>4,948</b>	<b>111.9</b>				<b>1,689</b>	<b>364</b>	<b>93</b>
<b>LIBRARIES</b>										
Libraries	Library PFI	2,515	2,515	-	Delivering a significant element of the statutory service, the Private Finance Initiative (PFI) contract has demonstrated	2018-19 proposals: To reduce facilities management costs by £30k as part of the review of the Jubilee	Delivery Risk: Government consultants have advised that there are limited savings to be found from PFI contracts of this	50	30	80

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					value for money and is contracted to 2029. The PFI contract is partly covered by a government grant of £1.5m p.a. that is part of the council's settlement funding. The actual net expenditure on the PFI is £1.078m. The libraries modernisation programme has set out a road map for changes over 15 years. Book fund reductions will also be made, reflecting building changes, usage changes and the move to more digital services.	<p>Library PFI.</p> <p>2019-20 proposals: To modify the commercial offer in Jubilee to achieve £50k of additional income; and to reduce bookfund spending by a further £30k reflecting changing libraries' use.</p> <p>In previous two years there has been a reduction in bookfund (£150k reduction, delivering £67k of savings as rest off-set reductions in traditional income) reflecting changing libraries' use.</p>	<p>type. If level of savings were set too high, this would have a detrimental effect on service delivery. The 2019-20 proposals are dependent on the success of changes to the commercial offer at Jubilee Library.</p> <p>Impact on Outcomes: Reduction in bookfund of around 26% over the 4 years will have a limited impact on the range and number of books and other resources that the service can provide. Borrowing items is highest single demand from the public, so this could have a negative impact on customer satisfaction. The move toward, and accessibility of digital services will be important to mitigate impact. Potential impact on quality of the Jubilee building maintenance as result of FM cost reduction.</p> <p>See EIA 20.</p>			
Libraries	Hove Library	incl. in other lines	incl. in other lines	incl. in other lines	Current building is expensive to run, with high staffing and running costs, and needing extensive and ongoing maintenance and repairs. Following the rejection of the proposed move of Hove Library to Hove Museum, a new strategy for Hove Library is being developed.	<p>2018-19 proposals: To achieve an additional £45k in income as a result of letting parts of Hove Library building to external users.</p> <p>As a result of the PR&amp;G Committee decision in July 2016 to change the agreed Libraries Plan proposals to relocate Hove Library, the anticipated savings need to be found through a reconfiguration of Hove Library spaces to</p>	<p>Delivery Risk: 2018-19: Still awaiting confirmation that café provider will be taking on Hove Library provision. Delivering savings in the Carnegie building location is much harder than the original Libraries Plan proposals to relocate the service. Risk that projected income targets and savings targets will not be achieved in this location. Impact on Outcomes: The PR&amp;G Committee decision to change the agreed Libraries</p>	60	45	27



## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
						<p>increase income generation potential and reduce running costs. This includes proposal to close Hove Library on Sundays to reduce staff and operational costs.</p> <p>2019-20 proposals: To reduce running costs of Hove Library through further efficiencies to deliver £27k of savings.</p> <p>Previous two years of savings were staffing and management cost savings as result of restructure, delivering £92k, plus an additional £37k from closing Hove Library on Sundays.</p>	<p>Plan proposals to relocate Hove Library, could have an impact on the rest of the library network unless mitigating actions are taken to reduce the high costs of running library services in Hove Library.</p> <p>Reduction in size of dedicated library space in order to generate income will change the nature of library services available in this building.</p> <p>However, a library will remain open in this preferred location, albeit 6 days per week, with access to a fuller range of resources via Jubilee Library, which we know many Hove users already visit. Closure on Sunday potentially reduces the income generating proposals already in the existing savings plans and reduces libraries performance as Hove opening hours reduced by 12%</p> <p>See EIA 20.</p>			
Libraries	Staffing and operational costs	2,695	2,695	70.3	Staffing is essential for the delivery of Library Services but there are opportunities to reduce the cost of services through modernisation and rationalisation, increasing self-service and the 'Libraries Extra' initiative.	2018-19 proposals: No further savings from staffing or operational changes proposed for this year. The radical nature of the modernisation changes last year with the introduction of Libraries Extra and a major restructure, need time to settle down before any further changes are made. 2019-20 proposals: Following a review of how the major changes of 2016, the proposal is to implement further changes to the operation and staffing of libraries to	<p>Delivery Risk: First stage of savings plan has been successfully achieved. Further staffing changes will be dependent on further staff consultation and community engagement activity. Impact on Outcomes: Extending public access in terms of hours available to access Library facilities is an important addition to the service while enabling a lower cost of delivery.</p> <p>Remodelling the network of libraries in 2019-20 will impact</p>	22	-	75

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
						deliver a further £75k savings. Previous two years of savings totalling £235k were a result of the Modernisation programme - includes redesign of service delivery to focus on increased self-service, enabling reduced staff and management costs with an opportunity for increased use of volunteers.	on areas differently. The reduction in operating costs means an increase in unstaffed provision in community libraries.			
Libraries	Income Generation	<i>incl above</i>	(453)		- Limited scope for income generation as Libraries are a statutory service with restrictions on what can be charged for. Traditional income (fines, AV hire, reservations) is reducing. Focus will be on raising additional resources for added value services to deliver improved value for money, and increased commercial activity.	<p>2018-19 proposals: Continuing the diversification of funding programme in libraries to achieve an additional £10k. Funding diversity includes: commercial income, commissioning income, grant funding, and fundraising. Collecting charges more efficiently and increasing commercial income. Raising more through donations and attracting grant income. Need to find additional £15k to cover loss of traditional income, plus £10k inflation target, before achieving extra £10k, so in reality increase in income of £35k needed over previous year's targets in order to achieve £10k.</p> <p>2019-20 proposals: Continue with diversification of funding programme to achieve an additional £20k.</p> <p>Previous two years savings delivered £20k if increased income as a result of changes to income targets and bibliographical services</p>	<p>Delivery Risk: Dependent on library visitor trends and market conditions. An important risk is the rapid decline in traditional income streams (£15k p.a.) and automatic inflationary increase in targets (£10k p.a.) which is creating a service pressure every year before any additional income can be generated.</p> <p>Impact on Outcomes: Very high level of dependency on income generation. Potentially the income generation could be in conflict with service delivery, and could also put libraries in competition with other departments. Using external expertise to develop fund-raising and commercial skills of staff.</p> <p>See EIA 20.</p>	10	10	20

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						changes. Please note that for every £10 of savings, libraries need to increase by £35k of additional income to off-set reductions in traditional income and inflation targets.				
<b>Libraries Total</b>		<b>5,210</b>	<b>4,757</b>	<b>70.3</b>				<b>142</b>	<b>85</b>	<b>202</b>
<b>COMMUNITIES, EQUALITIES &amp; THIRD SECTOR</b>										
Communities	Communities and Third Sector Development staffing and operational budget	239	239	6.0	Create a single, streamlined and integrated resource to support community and neighbourhood working and fostering collaborative and independent action by residents, building social capital and resilience, inc. implementing the volunteering policy.	2018-19: This is equivalent to 1 FTE  2017-18: The Director restructure is currently in progress.	Delivery Risk: Will impact on ability to support community engagement and equalities work including meeting statutory requirements. This saving is currently at risk as it has been agreed with NCH Exec Director to hold off the restructure until the outcome of the directorate restructure is complete.  Impact on Outcomes: Effective integration should improve engagement and equalities work around some protected characteristics however will reduce the overall capacity to engage with communities and equalities groups and support other council services to do so effectively. Likely to have an impact on meeting our statutory duties re: Equalities Act	127	35	-
Communities	Communities and Third Sector Development Commission	1,736	1,498	-	Current contracts run until 31st March 2017. Provides infrastructure support to community and voluntary sector organisations to improve their efficiency, effectiveness and reduce dependency on council funding/contracts. Supports third sector organisations to develop and transform in	No savings proposed for 2018-19 due to the high level of savings in 2017-18. New third sector investment programme 2017-2020 agreed by NC&E Committee July 2016 included proposed reductions to the programme. Published for bids in September. Deadline 1st November and awards early		322		135

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					response to the increasing demand on their services from reduced public sector provision. Community development provision is required to be maintained to continue to grow and foster community resilience and self-help in communities. This is likely to be an area of growth again as public service provision reduces and greater reliance on self-help in communities. Key element of delivering greater resilience through new ways of working. NB deferred 165k saving from 2016-17 will automatically be removed.	January 2017. Further £0.370m reduction of investment in strategic outcomes delivered by third sector. Budget Council amendments meant that savings were reduced to £0.322m in 2017-18.				
Communities	Equality & Cohesion	217	217	3.4	The service ensures that the council meets its legislative duties under the 2010 Equality Act and achieves the highest standards under the LGA peers assessment Equality Framework for Local Government, and supports the duties of the Neighbourhoods, Communities & Equalities Committee. No significant savings are possible as continued external visibility of the council's commitment to equality is essential.	2018-19 no savings proposed. This will be covered by the directorate wide restructure.		-	-	
Communities	Healthwatch and NHS ICAS contract	278	278	-	To meet the legislative duty for each Local Authority area to have an independent health and social care watchdog. A review of the contract will be undertaken.	No savings proposed for 2018-19 as services have been recommissioned for 2017-18-2019-20; with a 10% reduction in contract value from 2017-18.	Delivery Risk: There is potential for a reduced service to investigate and scrutinise health and social care provision in the city. The re-commissioned service must avoid the risk of not meeting legislative requirements.	31	-	

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
							Impact on Outcomes: No impact on outcomes expected.			
<b>Communities, Equalities &amp; Third Sector Total</b>		<b>2,470</b>	<b>2,232</b>	<b>9.4</b>				<b>480</b>	<b>35</b>	<b>135</b>
<b>REGULATORY SERVICES</b>										
Environmental Health & Licensing	Environmental Health & Licensing	1,439	527	38.4	The service will continue to operate at statutory level in accordance with relevant regulations.	2018-19: Realignment of food safety enforcement resources proposed as part of the NCH restructure will require backfilling to ensure compliance with the requirements of the Food Safety Code of Practice. The saving previously detailed as part of the four year plan would not be able to be realised and savings would have to be identified elsewhere in Regulatory Services.  2017-18 Rationalisation of management structure across the service reducing by 1fte staff.	Impact on Outcomes: Possible Impact of FSA 'Regulating Our Future' if/when introduced.  Potential risk of not performing to meet statutory duties or meet duty to investigate all complaints. Added reputational risk.  Impact on Outcomes: Possible Impact of FSA 'Regulating Our Future' if/when introduced  See EIA 21.	60	50	
	Environmental Protection	475	467	18.1	The service will continue to operate at statutory level in accordance with relevant regulations.	The proposal is the equivalent of removing 1 FTE post in 2018-19 and 1 FTE post in 2019-20. Note however, these savings will not necessarily be from Environmental Protection as posts across Regulatory Services have generic job descriptions and this facilitates cross team working to manage demands for the service while also providing additional service resilience (e.g. cover for leave, sickness, etc.). The proposed restructure of NCH directorate therefore provides opportunities for Regulatory Services to generate this saving by reviewing current service needs	Medium risk as the directorate/service restructure is currently at the consultation phase.  Delivery of the Neighbourhoods Enforcement and Inspection Programme will identify where duplication is occurring and where work can be delivered more effectively by the new Field Officer role.  See EIA 21.	36	39	50

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						and more effectively matching resources to identified demands.				
	Animal Welfare	Include d above	Include d above	Include d above	The service will continue to operate at statutory level in accordance with relevant regulations.	The Corporate Modernisation Development Board of 8/11/17 agreed to fund capital build of holding kennels and cattery. Income of £0.020m for 2019-20 would be dependent on when facility commissioned and associated revenue stream.	Delivery Risk: income forecasts for 2019-20 may not materialise.			20
	Pest Control	123	39	3.3			Impact: Will improve environmental sustainability and health and wellbeing. Amber until increased income delivered.  See EIA 21.	20	20	20
Trading Standards	Trading Standards	366	357	9.8	Operating at statutory level. A regulatory service supporting the local economy, protecting consumers and businesses through a programme of inspections, investigations and advice to ensure a fair and safe trading environment in the city.	1 fte staffing in 2018-19 and also savings from a review of supplies and services.	Delivery Risk: Reduction in consumer protection advice. Political support and risks to local economy.  Impact on Outcomes: Will reduce service level and priority will only be given to work where the team has a statutory duty to undertake regulation. With a high number of SME businesses in the City contributing to the local economy, priority will be given to supporting these where possible but it is likely that the level of support previously provided will not be sustained.  See EIA 21.	44	20	-
Civil Contingencies	Civil Contingencies	122	122	1.6	The Civil Contingencies Act 2004 places a statutory duty on councils to have documented and tested Business Continuity	2018-19: No savings proposed for this service due to savings made in 2017-18 of 1fte staffing resulting from the	Delivery Risk: Failure to deliver the savings and findings of the business continuity internal audit will result in financial risk,	60	-	-

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					Plans (BCPs). This has been the subject of an internal audit during July 2016 and the findings of this audit need to be implemented.	implementation of a service redesign plus a reduction in supplies and services, and utilising skills and services already based in Regulatory Services.	possible injury and loss of life, and possible legal challenge, and reputational risk.  Impact on Outcomes: Reduction in service required, including a review of where duplication is occurring and where the service can be delivered more effectively and efficiently. Some of this work can be delivered by existing skills in Regulatory Services, including health and safety and risk assessment and management, business continuity, and audit and performance management. The modernisation programme will help to ensure that better resilience and risk management is integrated across services. Including development of sustainable processes and procedures both in the Emergency Planning and Resilience Service but also across services.			
<b>Regulatory Services Total</b>		<b>2,525</b>	<b>1,512</b>	<b>71.2</b>				<b>220</b>	<b>129</b>	<b>90</b>
<b>COMMUNITY SAFETY</b>										
Community Safety	Reducing Violence against Women and Girls. (VAWG)	2,077	751	3.0	Incidents of violence against women and girls reported are still increasing; services have been recommissioned to be more efficient and effective.	2018-19: No savings proposed due to significant increase in demand. Commissioned Services to be reviewed alongside the Living Without Violence specialist support within Families Children and Learning.	Delivery Risk: Efficiencies are expected but no further budget reductions above those included within Families Children and Learning at this stage.	-	-	-
Community Safety	Crime & Disorder Partnership Management	288	208	5.0	Core functions and facilities to run community safety service. Addressing community safety, preventing and reducing crime and disorder reduce the number	2018-19: No savings proposed as £0.138m already saved in 2016-17 and 2017-18. Savings in tis service area were front-loaded.	Delivery Risk: Statutory function, failure to comply would bring council in breach of law. Reduced capacity in LGBT post will potentially reduce LGBT	71		7

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					of perpetrators and victims in the city across a range of crimes including those which cause the most harm and increase service pressure in other areas.	In 2017-18, reduced premises costs from being workstyled in main council buildings. Reduced contribution to police drugs operation. Reduced capacity to work with LGBT community by reduction of 0.5fte. Stop communities against drug work - part time post £0.025m	community trust and confidence. Reduction in legal support could lead to more contested cases. Stopping communities against drugs work may risk that drug use and litter increases, communities will become less resilient to drug use in neighbourhoods. Reduced funding by 50% to police drug operation - risk is that dealers will be less disrupted. Impact and mitigation for both proposals is that the part time post only has limited capacity at the moment so there will be some effect but CityClean may take up some needle find work.  Impact on Outcomes: Reducing core services for community safety will mean less robust oversight of crime and disorder for the city. This may lead to increases in crime and vulnerability to crime and disorder locally. Performance in this area is measured through the Community Safety Partnership. There will be less capacity to assess performance and take action accordingly. This will lead to greater pressure on services dealing with the consequences of crime and disorder.			



## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Community Safety	Casework Team	258	258	7.0	Community Safety has legacy payments to Legal Services that are not replicated by other teams accessing legal advice. Community Safety has previously contributed to Op Reduction a police test purchase operation that identifies drugs dealers and makes arrests. This is a core function of the police.	2018-19: proposals to cease payment to Legal Services £0.020m and cease payment to Police £0.020m.	Delivery Risk: Legal support may be limited for enforcement action in relation to ASB and Hate. Police may have reduced capability for drugs test purchase operation to disrupt drug dealers.  Impact on Outcomes: Legal action to deal with perpetrators of ASB and Hate may be limited resulting in more victims being harmed. If police reduce drugs test purchase operation there may be fewer drugs arrests which could result in more criminality in relation to drugs supply.		40	24
<b>Community Safety Total</b>		<b>2,623</b>	<b>1,217</b>	<b>15.0</b>				<b>71</b>	<b>40</b>	<b>31</b>
<b>Neighbourhoods, Communities &amp; Housing Total</b>		<b>35,555</b>	<b>14,666</b>	<b>278.8</b>				<b>2,602</b>	<b>653</b>	<b>551</b>

## Finance & Resources (F&R)

### Services and Responsibilities

The Directorate covers the following areas:

- Finance:
  - Supports over 250 budget managers and 68 schools
  - Manages over £100m cash balances and investments and over £0.5 billion money market transactions annually
  - Procures and negotiates over £1.8 billion insurance cover through premiums (£1.6m pa)
  - Provides contracted financial services to South Downs National Park and trusts
- Procurement:
  - Supports procurement of goods and services of circa £300m
  - Supports circa 250 contract managers together with Legal Services
  - Manages and authorises waivers of Contract Standing Orders
- Revenues & Benefits:
  - Collection and recovery of £127m Council Tax (and Council Tax Reduction Scheme)
  - Collection and recovery of £113m Business Rate income
  - Processing of Housing Benefit claims (£145m) and managing the transfer to Universal Credit
  - Collection and recovery of Housing Benefit Overpayments (circa £4.5m pa)
  - Provision of Enforcement Agent services for taxation and parking
- Human Resources & Organisational Development:
  - HR Services to around 750 team leaders, supervisors and managers and circa 4,500 council staff
  - HR Services to schools covering circa 5,000 staff
  - Coaching, development and advice services to around 750 team leaders, supervisors and managers
  - Health & Safety advice and support to around 750 team leaders, supervisors and managers
- ICT:
  - Provision of equipment, services and helpdesk to circa 4,000 staff and schools
  - Provision of data protection services for email, applications and devices
  - Database management and maintenance of major corporate information systems
  - Management and procurement of voice, data storage, telephony, Citrix (remote access) and other contracts
- Internal Audit:
  - Provision of over 1,000 audit days for circa 50 internal audit reviews
  - Investigation of potential housing tenancy, contract and financial irregularity frauds
- Business Operations:
  - Collection and recovery of circa £58m Adult Social and Sundry Debts (Business and Personal)
  - Management of Deferred Payment Arrangements and other legal charges (£3m)
  - Payroll services to the council, schools and South Downs National Park (over 17,000 unique staff payments and circa 123,000 payslips)
  - Processing over 200,000 payments to the council's suppliers and providers

- Provision of banking, purchasing card and urgent payment services

The directorate operates at both a service and corporate level providing essential business support to front-line services while also supporting the council to meet statutory obligations, maintain strong governance, and develop effective strategies across each function.

Its key strategic objectives are as follows:

- Ensure that sustainable corporate services are in place whilst delivering significant savings as a result of joining the Orbis partnership.
- Support the council through a period of complex change, and in particular the modernisation agenda using its network of Finance, HR and ICT business partners.
- Improve transactional processes through the establishment of the new Business Operations hub in Brighton & Hove.
- Challenge and reduce the cost of goods and services through strong procurement practice, and support the improvement of contract management across the council.
- Develop and deliver the council's People Plan to improve the council's development and support offer to current and future employees.
- Achieve key tax collection targets while navigating and supporting residents through welfare reform.
- Improve ICT infrastructure and tooling, and support the delivery of Digital First objectives.
- Continue to develop Audit's innovative approach to risk management.

### **Strategy and Key Proposals**

During the 4-year period from 2016-17 to 2019-20 the directorate will reduce its net budget by over 20%. The Integrated Service & Financial Plan sets out how this can be achieved. Key proposals involve the integration of Brighton & Hove managers into the wider Orbis partnership with East Sussex and Surrey County Councils, the establishment of centres of expertise across the partnership, and further optimisation of processes including through the new Business Operations function.

Orbis will engage with the key customers in the 3 authorities to develop services that meet customer requirements while recognising that the authorities have joined the partnership in order to achieve greater savings through change and innovation while maintaining service resilience.

## Finance &amp; Resources

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Finance	2,227	2,001	52.1	301	97	81
Audit	594	522	9.3	92	35	-
Revenues & Benefits	11,903	3,734	194.7	630	137	269
Revenues & Benefits Tax Base Savings	-	-	-	341	307	307
Procurement	504	463	13.7	49	41	27
Human Resources & Operational Development	2,688	2,520	70.5	342	198	153
ICT	6,700	6,426	132.0	657	294	188
Business Operations	1,855	1,738	66.5	162	72	101
<b>Finance &amp; Resources (Excluding Tax Base Savings)</b>	<b>26,471</b>	<b>17,404</b>	<b>538.8</b>	<b>2,233</b>	<b>874</b>	<b>819</b>
<b>Finance &amp; Resources</b>	<b>26,471</b>	<b>17,404</b>	<b>538.8</b>	<b>2,574</b>	<b>1,181</b>	<b>1,126</b>
Corporate Services	29,440	7,422	-	445	725	25

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18 £'000	Net budget 2017-18 £'000	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18 £'000	Savings 2018-19 £'000	Savings 2019-20 £'000
<b>FINANCE &amp; RESOURCES</b>										
<b>FINANCE</b>										
CFO	CFO	192	192	2.0	Budget for Executive Director Finance & Resources and office support. Includes the S151 statutory Chief Financial Officer role retained by the authority under the Orbis partnership.	No further savings proposed beyond 2017-18.	Delivery Risk: None. Impact on Outcomes: No impact on outcomes anticipated.	10	-	-
Financial Services	Financial Management & Advice. Note: Income of £157k from services to schools has been netted off within the gross budget.	2,014	1,788	46.1	Intention was to align costs with the predicted reduction in size of the organisation, however, taxation and income generation resources mean this has not materialised. Service is therefore focusing on managing	Ongoing redesign and re-prioritisation of the service will be undertaken including some processing changes and continuing to move the service to a different customer service model in tandem with the move	Delivery Risk: Provided effective financial controls can be put in place and non-compliance is minimised (through enforcement if necessary), risks may be kept to a minimum.	141	30	58

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					demand, providing value added services and ensuring that services comply with corporate processes to improve efficiency. In 2018-19 and beyond, further opportunities for cost reduction will be sought through joint working within the Orbis Partnership.	toward an Orbis shared service operating model. Potential 'centres of expertise' will be created within Orbis to achieve efficiencies through economies of scale.				
	Financial Accounts				Production of financial statements is statutory but the government is continually bringing forward statutory deadlines for completion. This in turn drives the need for automation and more efficient production.	Financial Statement production has the potential to be highly automated and the focus will be on continuing to drive efficiency in this area, including a potential option to adopt the CIPFA financial statement automated service.	Delivery Risk: Liaising with external auditors will be key to minimising risk to effective production and adverse auditor opinion on the accounts. There is also added resilience through partnership across Orbis.	50	40	23
	Strategic, Corporate & Treasury Services				These are strategic advisory services that are important to retain and align closely with strategic planning processes (e.g. budget setting, investment strategy, MTFS production, etc.). Service will be part of the shared service partnership with Orbis.	Potential 'centres of expertise' are being explored across Orbis to determine whether cost reductions are possible through integrated treasury management services, financial planning and corporate finance services, and taxation (VAT) services.	Delivery Risk: Key risk is resilience of the function as the importance of strategic financial planning and advice increases with the complexity of the financial situation.		27	
Insurance	Insurance	21	21	4.0	A small but effective unit where costs will continue to be reviewed to ensure VFM. Service will be part of the shared service partnership with Orbis.	In 2017-18 this service was wholly funded from the Insurance budget as it is a genuine cost of insurance including defence against claims, negotiating premiums, and managing risk/cover. The service is now a net nil budget.	Delivery Risk: None	100		
<b>Finance Total</b>		<b>2,227</b>	<b>2,001</b>	<b>52.1</b>				<b>301</b>	<b>97</b>	<b>81</b>
<b>AUDIT</b>										
Internal Audit	Internal audit	594	522	9.3	IA is a statutory service providing assurance on the internal control environment and support to service managers. Corporate Fraud is a non-statutory service that reduces	To be delivered through service restructure across Orbis and review of the bought in components of the service (again across Orbis).	Delivery Risk: Unforeseen delays in restructure process. HRA does not continue funding of counter fraud work.  Impact on Outcomes: Reduction	92	35	

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					<p>the council's costs by preventing and detecting fraud.</p> <p>The service will operate a pooled budget across Surrey CC, ESCC and BHCC from April 2018 with further integration of services which will create efficiencies in terms of how we provide services.</p> <p>The service is also seeking to obtain external paying customers and recoup costs from existing services, where appropriate.</p>	<p>Reduce number of audit and Corporate Fraud days delivered.</p> <p>Continue to charge HRA for counter fraud work (currently £60k per annum).</p> <p>Obtain new external customers.</p>	<p>in number and scope of audits. Reduced assurance and support for corporate management and services on internal control and the prevention of fraud &amp; corruption. Increased risk of loss, error and fraud within the council.</p>			
<b>Audit Total</b>		<b>594</b>	<b>522</b>	<b>9.3</b>				<b>92</b>	<b>35</b>	<b>-</b>
<b>REVENUES &amp; BENEFITS</b>										
Revenues & Benefits	Administration of Housing Benefits and Council Tax Reduction awards - staffing costs budget	6,235	4,757	183.1	<p>The Benefits function is statutory but the combination of a reducing caseload and efficiencies give the opportunity for savings to be made. The most significant factor in downsizing is the planned introduction of universal credit which will transfer caseload to the DWP. The stated savings take the reduction in grant directly related to this work transfer into account. This service is being considered as part of the Support Function Review.</p>	<p>The service continues to review its processes to maximise its use of resources. The reduction in workload and the nature of the workload being transferred to the DWP provides opportunity to reduce cost while maintaining service standards. The original 4-year proposal made in 2016-17 has been amended to reflect the delay in the implementation of Universal Credit. It is now proposed that 31 posts will be deleted across the 4 year period.</p>	<p>Delivery Risk 2019-20: The saving forecast is predicated on the introduction of Universal Credit to the DWP forecast timescales. Changes in this forecast has meant a revision of the level of achievable savings and this may change again if there are further amendments to this forecast. There is subsidy risk if performance levels drop. There is also a risk of a skills shortage which may lead to recruitment and cost issues.</p> <p>Impact on Outcomes: No impact on outcomes provided customer service standards can be maintained.</p>	280	-	116
	Administration of Housing Benefits and Council Tax Reduction awards - supplies, service and				As above.	No proposals in 2018-19 but in 2019-20 there will be associated reductions in some supplies & serviced and support	Delivery Risk 2019-20: The saving forecast is predicated on the introduction of Universal Credit to the DWP forecast	21	-	43

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
	support costs.					costs as the service downsizes. This is a combination of indirect employee costs, postal costs print costs and publicity and marketing costs.	timescales and accuracy. Changes in this delivery may mean a profiling of savings.  Impact on Outcomes: No impact on outcomes anticipated.			
	Administration of Housing Benefits and Council Tax Reduction awards - service charges.				To support the budget position by ending unnecessary payments from the General Fund to the HRA fund.	Saving taken in 2016-17 - no further saving possible.				
	Administration of Housing Benefits, Council Tax Reduction, Council Tax and Business Rates - computer systems & document management system administration				1. Negotiated reduction in main systems contracts 2. Negotiate systems contract reductions in light of the reduced benefit caseload. 3. Negotiate reduction in on line benefit form contract 4. Reduce associated supplies and services costs.	For 2016-17 the service delivered savings in reduced contract. Further to that saving the service has identified further savings for 2017-18 in terms of reduced associated supplies and service costs.	Delivery Risk: None	11		-
					Reduction in support resources in light of the reduced benefit caseload.	Deleted one post in 2017-18 and a further post reduction is deliverable but not until 2019-20 (total 2 FTE).	Delivery Risk 2019-20: There is a risk that the transition generates an increase in documents per case which may mean the scanning and indexing workload does not reduce as predicted.  Impact on Outcomes: No impact on outcomes anticipated.	25	-	25
					Revenues & Benefits have a programme of digital changes to the service that are being delivered within the Digital First framework. As these changes are embedded that will begin to deliver savings. The success of the savings is, in part, dependent on managing customer channel shift to self-help services on -line.	There are three aspects to the delivery of digital savings. The first is reductions in cases, mostly postage and printing as e-documents are introduced. Second are savings related to automation as data from on-line forms automatically populates database records? The third is channel shift where self help means less resource is required for face to face and telephone contact.	Delivery Risk: If the channel shift is not on timetable then there will be a resource pressure that may have a detrimental effect on income collect or benefit subsidy.  Impact on Outcomes: No impact on outcomes provided customer services can be maintained and the change co-ordinated with other services.	27	82	75

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
	Administration of Council Tax collection				Service redesign	Service redesign was undertaken in 2017-18 to compliment the delivery of digital programme. No further savings are possible until this model has been proven to work effectively i.e. by maintaining or improving collection rates.	See EIA 22 Delivery Risk: None	100		
					The collection of council tax is statutory and administration savings have to be fully considered to make sure they do not impact on collection efficiency. However some savings have been identified. This service is being considered as part of the Support Function Review.	The saving is a combination of savings due to channel shift, moving the council tax leaflet to online only, reducing postal costs because of on line and text facilities etc. and some direct supplies and service savings on underspending budgets.	Delivery Risk: These savings are considered low risk in the context of collection provided the digital roll out stays on track.  Impact on Outcomes: No impact on outcomes anticipated.	1	10	10
Revenues & Benefits	Local Discretionary Social Fund and Welfare Reform	-	-	11.6	Temporary funded service from the Welfare Reform Reserve in 2017-18.	Currently reviewing proposals for further one-off continuance in the light of Universal Credit and other welfare reform impacts.				
Revenues & Benefits - Discretionary Awards	The administration of the Discretionary Housing Payments and the Council Tax Reduction Discretionary scheme	1,188	55	-	To reduce the permanent element of the discretionary set aside to support the local Council Tax Reduction Scheme to proportionate levels.	It is proposed to reduce the commitment to this fund over the next 3 years as it is not fully utilised. It was well funded initially as a prudent mitigation against the pressures of reducing the funding to the main scheme.	Delivery Risk: There is risk in reducing any discretionary scheme set to support the vulnerable but with revised parameters and sensitive collection strategies it is believed that this risks can be reasonably mitigated. A downturn in economic conditions may impact further. Impact on Outcomes: No impact on outcomes is expected based on current trends.	45	45	
	Collection of Benefit Overpayments	4,480	(1,078)	-	Recovery of Housing Benefit overpayments.	Increase the rate of recovery on historic benefit overpayment arrangements so that they are in line with the current maximum recovery	Delivery Risk: None	120		



## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						amounts. This was proposed on a one-off basis in 2017-18 due to uncertainty about the current system of Housing Benefit subsidy and the transfer to Universal Credit. The volatility of this activity means that recurrent saving is high risk but further one-off savings may be possible.				
<b>Revenues &amp; Benefits Total</b>		<b>11,903</b>	<b>3,734</b>	<b>194.7</b>				<b>630</b>	<b>137</b>	<b>269</b>
<b>REVENUES &amp; BENEFITS (TAX BASE SAVINGS)</b>										
Revenues & Benefits - Tax Base Savings	Council Tax base - Council Tax Reduction scheme				The central government grant for the Local Council Tax Reduction Scheme is reducing year on year and placing additional financial pressure on the council. It is proposed to introduce a revised local scheme to reduce some of this pressure and offset the expected extra expenditure that will fall onto the scheme when Government welfare reforms begin to impact from 2016.	There are no proposals to consult on further changes to the CTR scheme in 2018-19, however the savings target for this financial year can be met from the impact of further reductions in the CTR caseload that is anticipated to continue into 2018-19. Options for 2019-20 will be reviewed in the summer 2018 and consultation would be required if changes to the current CTR scheme are required.	Delivery Risk: It is anticipated that further alterations will need to be made by the council in 2019-20. There is risk that the cumulative effect of the welfare reforms will impact customers propensity to pay council tax and that estimates factoring this in may prove to be inaccurate. Economic conditions will clearly be an important factor.  Impact on Outcomes: Minimal impact anticipated subject to economic conditions and management of welfare reform impacts.	250	250	250
Revenues & Benefits - Tax Base Savings	Council Tax base - collection				The service is continuing on its improvement programme and it is anticipated that this will ultimately result in improved council tax collection performance.	The service has been set a stretch target of 0.05% improvement in ultimate collection each year.	Delivery Risk: Council Tax collection may be affected by welfare reform impact or economic conditions differently than forecast.  Impact on Outcomes: As the measure takes several years to fruition it is difficult to be certain of the outcome.	57	57	57
Revenues & Benefits - Tax	Business Rates - discretionary rate relief				The collection of Business Rates is statutory. The focus	Local Authorities can award Discretionary Rate Relief (DRR)	Delivery Risk: The risks associated in this proposal	24		

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
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		£'000	£'000					£'000	£'000	£'000
Base Savings					on performance improvement relates to increasing the tax base, which while financially beneficial to the authority, falls outside of the revenue budget. This service is being considered as part of the Support Function Review.	of up to 20% on properties already subject to a mandatory 80% relief because they are wholly or mainly used for charitable purposes. Registered Community Amateur Sports Clubs are similarly eligible. The council can also grant 100% discretionary relief for a property if it is occupied by an organisation that is not established or conducted for profit. The proposal is to be more stringent in these awards to minimise expenditure.	although not financially high are complex and need to be considered in the light of revised corporate priorities during the 4 year budget saving process. The proposal is for the second year to allow for appropriate consideration and consultation.  Impact on Outcomes: No impact on outcomes anticipated.			
					Additional increase to the tax base outside of the Revenues Budget.	Further review of the criteria for Discretionary Rate Relief with a view to reducing the amount of the overall award was achieved in 2017-18. 2017 Rate Revaluation means that further review is not recommended until the new system has settled.	Delivery Risk: The risks are as per above but as the discretionary fund decreases the impact widens. The beneficiaries of the discretionary scheme are mostly charitable organisations	10		
<b>Revs &amp; Bens (Tax Base) Total</b>		-	-	-				<b>341</b>	<b>307</b>	<b>307</b>
<b>PROCUREMENT</b>										
Procurement Services	Procurement	504	463	13.7	The Procurement and Contract Management function will be invested in over the period to help drive out savings across all significant contracts and renewals. The funding of the service will therefore be provided through capital flexibilities as part of the council's Efficiency Plan and in response to the actions identified in the 2016/17 Annual Governance Statement. This also reflects best practice studies that indicate that effective contract management	The savings against this service identified in the original 4-year savings plans will be met by one-off capital flexibilities. As noted, this investment was in response to actions identified in the Annual Governance Statement and as an invest-to-save to help drive out further economies through improved contract management and re-procurement.	Delivery Risk: None	49	41	27

## APPENDIX 2

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Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
					can reduce contract costs by between 2% and 5%.					
<b>Procurement Total</b>		<b>504</b>	<b>463</b>	<b>13.7</b>				<b>49</b>	<b>41</b>	<b>27</b>
<b>HUMAN RESOURCES &amp; ORGANISATIONAL DEVELOPMENT</b>										
HROD	HROD provides a full range of strategic and operational HR services to the Council and schools. The service includes business partnering, workforce and organisational development, health and safety services, HR advisory services, policy and projects. Note: Income of £410k from services to schools has been netted off within the gross budget.	2,688	2,520	70.5	Orbis is a partnership formed between BHCC, Surrey CC and East Sussex CC which was formed to: • drive efficiencies through increased standardisation and removal of duplication • pool resources, expertise and knowledge to identify best practice approaches that best meet the need of our customers • create greater operational resilience • deliver greater value for money, placing customers at the heart of everything that we do • improve accessibility of services to the customer through a self-sufficiency approach	The integration of HROD into the Orbis partnership will create management efficiencies that will deliver savings to BHCC in 2018/19. These savings will come from integrating the management of some functional areas in HR across the partnership, and streamlining of activities in areas such as policy development. The service will operate a pooled budget across Surrey CC, ESCC and BHCC from April 2018 with further integration of services which will create efficiencies in terms of how we provide services such as advice, training and policy across the partnership to deliver ISFP savings for 2019/20.	Key risks relate to the implementation of the change required that could impact on business as usual service for the authorities, any changes in the founding partner authorities objectives with regard to integration and ensuring the full benefits of the business case for integration are realised. These have been mitigated by ensuring that integration in 18-19 focuses on the management structures and the overall model for delivery, with time during 2018/19 to plan for further integration of services to customers.	342	198	153
<b>Human Resources &amp; Organisational Development Total</b>		<b>2,688</b>	<b>2,520</b>	<b>70.5</b>				<b>342</b>	<b>198</b>	<b>153</b>
<b>ICT</b>										
ICT Management Team	Senior ICT Management of Department	6,700	6,426	132.0	Service is non-statutory with a mixed supply market available from commercial and public providers. Integration into Orbis Shared Service is the agreed approach, with savings only possible through early integration of services both technically and through resourcing. Integration needs to happen in 17-18 to achieve both early savings and maintain resilience of service despite significant demand pressure.	Reductions in senior managers through integration into Orbis, with early reduction in 2017-18 prior to budget pooling through deleting vacant post and early management integration with some redistribution of management accountabilities to remaining heads of service.	Delivery Risk: Capability and capacity to support change and operational risk in BHCC will be weakened, reduced ability to meet demand from services for modernisation and efficiency gains. Impact on Outcomes: Loss of Senior Management posts increases pressure on middle management and remaining senior managers while Orbis integration happens. Initial slow pace of Orbis integration creates risk.	83	98	63

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Infrastructure Engineering	Wide Area Network (WAN), Local Area Network (LAN), Security, Server & Storage hosting, Virtualisation				As above	WAN is already shared service with ESCC, some further cost reductions in overheads through reduced client function costs and shared Data Centre (DC) connectivity costs with ESFRS and through site reductions achievable. Cost reductions through technical & contract consolidation and shared staff services. ICT service redesign has already reduced staffing costs. Savings are through vacancy management and Orbis integration. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place.	Delivery Risk: High without Shared Service as cannot achieve economies of scale and reduced staff numbers will directly reduce service levels.  Impact on Outcomes: Assumes vacancy churn rate of 5% and downturn in certain project related work following Workstyles & ICT Infrastructure Programme. See risk section for further details of risk that downturn in work will not now happen.		21	
Customer Experience	Service Desk, Customer Solutions & Problem Management (& printing)				As above	Following the ICT Service Redesign, vacancy management including holding or deleting posts and part posts, will be used to reduce costs in-year through 17-18 ahead of integrating services in 18-19. Further savings from 18-19 onwards will come through Orbis integration. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place, but will include reduction in held vacancies and integration of management and teams.	Delivery Risk: High without Shared Service as cannot achieve economies of scale and reduced staff numbers will directly reduce service levels.  Impact on Outcomes: Assumes retirements and vacancy churn rate of 5%.	100	70	
Business Solutions	Social Care, Education, Housing				As above	Further savings are not possible until 2019-20 to enable the new structure to stabilise and demonstrate proof of concept.	Delivery Risk: As above  Impact on Outcomes: Assumes vacancy churn rate of 5% including flexible retirement and removal of vacancy.	79		30

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
Digital & Data	Digital, Data and Location Systems Support				As above	Cost reductions over time through technical & contract consolidation and shared services. Significant growth in demand through Digital First and other digital service requirements mean there are only limited savings in first two years. Savings from 19-20 following integration into Orbis. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place, but will include reduction in held vacancies and integration of management and teams.	Delivery Risk: Medium	47		30
Platform Engineering	Platform Engineering				As above	Service area remains under-resourced with demand increasing through both Digital First and Information Governance demands. No early scope for savings. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place, but will include reduction in held vacancies and integration of management and teams.				
Information Governance	Records Management, Information & Cyber Security, and Data Protection				As above	As above	Delivery Risk: High, increasing cybersecurity threats pose significant risk			
Business Alignment	Business Engagement, Analysis				As above	Following the ICT Service Redesign, vacancy management including holding or deleting posts and part posts will be used to reduce costs in-year through 17-18 ahead of integrating services in 18-19. In addition, targeting of resource	Delivery Risk: Medium  Impact on Outcomes: Increase in income from investment and reduction in business analysis capacity, reduced ability to assess new change work outside of investments,	55	43	

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
						to Digital First will increase income. Further savings from 18-19 onwards will come through Orbis integration. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place, but will include reduction in held vacancies and integration of management and teams.	mitigation is through shared resource spread across Orbis and assumes vacancy churn rate of 5%.			
Change Portfolio	ICT Consultancy & PMO				As above	Saving opportunity taken in 17-18 but no further savings are recommended due to the high demands on this service.	Delivery Risk: Medium  Impact on Outcomes: Impact through reduced core ICT project management capacity, mitigation is through shared resource spread across Orbis and assumes vacancy churn rate of 5%	55		
Enterprise Architecture	Architecture & Solution Design				As above	Service area remains under-resourced with demand increasing through Digital First, Orbis Integration and ASC & Health integration agenda demands. No early scope for savings. Note that savings areas and levels between ICT sections may vary as Orbis integration co-design work takes place, but will include reduction in held vacancies and integration of management and teams.	Delivery Risk: Medium			
ICT Schools & Traded Services	ICT Schools & Traded Services. Note: Income of £1,010k from services to schools has been netted off within the gross budget.				Service is cost neutral or surplus generating. Aim would be to achieve full cost recovery of support costs and year on year small income increases.	Following the ICT Service Redesign, vacancy management including holding or deleting posts and part posts will be used to reduce costs in-year through 17-18 ahead of integrating services in 18-19. Continued growth in trading	Delivery Risk: High as market is increasingly competitive and schools funding is now very challenging. Joining Orbis removes one area of competition and provides complementary skills and capacity, however schools more	113	62	65

## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
						income while consolidating offers through shared service. Opportunities through new markets (geographical and market sector). Potential inclusion in service redesign reducing costs and simplifying for alignment to shared service, while increasing income.	likely to reduce optional spend.  Impact on Outcomes: More aggressive stance seeking income, risks relationships with some schools, putting overall income stream at risk. Includes significant focus on nursery and independent sector which has been slowed to date to allow for combined Services to Schools offer, also assumed vacancy churn rate of 5%.			
Managed On Behalf Of	Contracts & Contract/Budget Management				As above	Shared Service may present opportunities for further reduction of costs through economies of scale. However, substantial savings taken in 16-17 and 17-18 mean that further savings are not recommended in the short term.	Delivery Risk: High, risk that lack of commercial skills and capacity will lead to financial risks on contracts  Impact on Outcomes: Contract consolidation across multiple technology areas. But demand for services may outstrip ability to drive savings within contracts, Reduction in contract management and supplier management, mitigation is through shared services within Orbis and stronger skillsets in management. Also impact on staff by reduction in desk telephony in favour of existing mobiles. Risk that resistance to change leads to problems in removing landline numbers.	125	-	-
<b>ICT Total</b>		<b>6,700</b>	<b>6,426</b>	<b>132.0</b>				<b>657</b>	<b>294</b>	<b>188</b>
<b>BUSINESS OPERATIONS</b>										
Business Operations	Across Business Operations	1,855	1,738	66.5	Reductions arising through re-organisation and redesign of this new Orbis service including management layering and business process and customer improvement	Efficiencies will be sought through automation, review of and improvement in transaction processes, introduction of new technology and potential alignment with Orbis Business	Delivery risk: Due to the level of savings already taken out of transactional services in previous years, the saving is dependant on moving to a customer self service model,		72	101

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						Operations partners	minimising non compliance on processes and introduction of new technology whilst ensure effective controls remain in place. Savings are also dependent on aligning services with Orbis partners. Business Operations budgets also need to be disaggregated from Finance and HR where cost pressures of up to £100k (e.g. systems support & licences) will also need to be accommodated.			
	Corporate Financial Services				Transactional services (e.g. payment of suppliers, systems, and income collection) will need to benchmark at below average cost or better and compare favourably to outsourced models.	Significant efficiencies were delivered in 2016-17 and 2017-18 prior to joining the Orbis partnership and the creation of the new Business Operations service (see above) through automation, BPI and redesign of services.	Delivery Risk: None	125		
	Corporate Financial Services				As above	An additional 2017-18 only saving targeted on the transactional (accounts payable) service to contribute to closing the council's budget gap.	Delivery Risk: None	25		
	HR Operations. Note: Income of £587k from services to schools has been netted off within the gross budget.				Reductions arising from vacancy slowdown and reducing size of organisation.	2017-18 reorganisation/redesign of service. The size of the organisation has not changed significantly (in staffing terms) and therefore further cost reduction opportunities are currently limited.	Delivery Risk: None	12		
<b>Business Operations Total</b>		<b>1,855</b>	<b>1,738</b>	<b>66.5</b>				<b>162</b>	<b>72</b>	<b>101</b>
<b>Finance &amp; Resources Total (Excl Tax Base)</b>		<b>26,471</b>	<b>17,404</b>	<b>538.8</b>				<b>2,233</b>	<b>874</b>	<b>819</b>
<b>Finance &amp; Resources Total</b>		<b>26,471</b>	<b>17,404</b>	<b>538.8</b>				<b>2,574</b>	<b>1,181</b>	<b>1,126</b>



## APPENDIX 2

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
CORPORATELY-HELD BUDGETS										
Concessionary Bus Fares	Concessionary Bus Fares Scheme	11,047	11,047	-	Statutory reimbursement based on national formula and maintain discretionary elements of the scheme (9am - 9.30am and 11pm to 3.59am weekdays).	Maintain option of fixed deal where this provides Value for Money to minimise impact of growth in trips and increasing cost. Lower inflation and lower growth in trips means the planned budget can be reduced.	Delivery Risk: Fixed deals can provide certainty for both parties. Without this there are significant financial risks.	250	200	-
Financing Costs	Debt and investment interest	5,155	3,449	-	Service is provided through a combination of professional advisors and in house treasury management	The service proactively reviews debt portfolios to explore opportunities to bring down average debt costs however no significant opportunities are anticipated in 2018-19.	Delivery Risk: Adverse interest rate changes could impact on the budget.			
Financing Costs	Minimum Revenue Provision (MRP)	7,915	3,251	-	Service is provided through a combination of professional advisors and in house treasury management	The MRP statement and strategy was amended in 2016-17 to reprofile MRP costs in 2015/16 and these changes are reflected in the projected budgets up to 2019-20.	Delivery Risk: None			
Contingency & Risk Provisions	Risk Provisions & other contingency items	2,719	2,719	-	Level set annually at budget council.	Level set annually at budget council.				
Corporate Pension Costs	Corporate Pension Costs	2,317	2,317	-	Statutory requirement to pay for historic retirement decisions of former employees that included added years.	Review liabilities annually to take account of reducing former employees who received this benefit.	Delivery Risk: Annual inflationary increases to pensions are more than the reduction in liabilities.	95	25	25
Carbon Reduction Commitment (CRC)	Carbon Reduction Commitment expenditure	210	210	-	Statutory requirement to purchase allowances for carbon emissions	Phase 2 of the CRC ends in 2018-19. Use pre purchased allowances over the next 3 years alongside the recurrent budget. No further saving possible.	Delivery Risk: Allowances increase by more than inflation and carbon emissions do not reduce.	-	-	-
Corporate VFM Savings	Procurement and Contract Management	-	-	-	Corporate investment in procurement and contract management expertise, training, analysis and litigation support.	Generate savings across services through improved procurement and contract management including improved contract specifications and performance indicators, pursuit of penalties and/or litigation for non-performance and increased support for	Delivery Risk: Potential savings areas have been identified and should be achievable. The key challenge is to ensure that any savings become cashable in 2018-19 (i.e. enable budget savings to be taken) rather than enabling a better quality or higher volume of service which,	-	500	-

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		£'000	£'000					£'000	£'000	£'000
						contract managers across the authority to help them negotiate better value from procurements.	while not undesirable, do not necessarily result in savings or cost avoidance for future years.			
Levies & Precepts	Levies & Precepts including: Sussex Inshore Fisheries & Conservation Area, Environment Agency and Enclosure Committees	205	205		- Statutory requirement for external organisations to raise a levy / precept on the authority.	Set by external organisations.		-	-	-
Unringfenced Grants	Unringfenced grants including: S31 Business Rates Retention (BRR) Scheme, New Homes Bonus, Education Services, PFI Grants and Housing Benefit Admin Grants.	-	(15,648)		- Set by government	S31 BRR Scheme grants offset against the BRR Scheme income. The majority of the remaining grants are likely to be reduced and pressure funding has been allocated.		-	-	-
	CORPORATE SAVING	(128)	(128)		- Complementary to the Management Spans & Accountability (MSA) principles used to challenge management costs, a similar approach to reviewing administrative and personal assistant support to management will be undertaken.	In 2017-18 a review of executive and personal assistant support to Chief Officers, Corporate Management Team and potentially lower management tiers will be undertaken to ensure optimum use of current technologies, review working practices, pool resources and achieve staffing reductions. A target of £0.100m on estimated staffing of over £0.6m is considered achievable.	Delivery Risk: The key risk is clearly that senior managers spend time on administrative tasks rather than on higher value work.  Impact on Outcomes: No impact on service expected.	100		
<b>Corporately-held Total</b>		<b>29,440</b>	<b>7,422</b>	<b>-</b>				<b>445</b>	<b>725</b>	<b>25</b>

## Strategy, Governance & Law

### Services and Responsibilities

Strategy, Governance & Law's purpose and mission is to help the council in setting its strategy and priorities, enabling delivery of those priorities and monitoring performance. It also supports the democratic process in terms of elections and decision-making. It has a significant element of delivering front line services through Life Events (registrars, bereavement services and local land charges). The different services comprised in the directorate are:

**Legal Services (net budget £1.3m)** - this service provides legal advice and representation across all of the Council's functions as well as the Monitoring Officer function. The team includes the Safeguarding Team, which supports adult and children's safeguarding functions, an area where there is a significant increase nationally in Court proceedings. The Services has established a shared services Partnership, Orbis Public Law, with East Sussex, Surrey and West Sussex County Councils. The aim of the Partnership is to give greater resilience, economies of scale and an opportunity to trade more widely, enabling the support of priority services and objectives.

**Democratic and Civic Office Services (net budget £1.7m – including Members Allowances)** - this service provides support to Members generally, is responsible for the co-ordination and administration of the democratic decision-making process, Member training & development, administering of School Appeals and the Members' allowances scheme. It also includes responsibility for the Civic Office, (including the Mayor and the Lord Lieutenant) and as a service has compared favourably with others through CIPFA benchmarking data.

**Policy & Partnerships (net budget £0.329m)** - this includes the Policy, Partnerships and Scrutiny teams. The partnership service is part funded by partners in the City and supports Brighton & Hove Connected as well as a number of initiatives in co-ordination with partners in the city.

**Life Events (gross expenditure of £3.3m and income of £3.48m)** – this includes Electoral Services, Local Land Charges, Registration and Bereavement Services. As the net budget figures indicate, it is largely funded from income generated from fees and charges. The service has delivered significant savings over previous years, when it experienced some real challenges, including a snap General Election, staffing changes at a senior level in the Electoral Services Team, and competition from alternative providers, influencing fees and charges pricing structures.

**Performance, Improvement & Programme Management (net budget £0.697m)** - the role of this team is to drive change management, risk management and performance improvement across the organisation to minimise adverse impact of financial challenges on customers. It also has responsibility for ensuring objective resolution of customer dissatisfaction and taking strategic lead in improving customer experience through effective customer insight. The Customer Feedback team processes approx. 1500 complaints and 1000 compliments per year. The performance team drives the corporate and directorate planning and monitoring processes. There are currently 6 Directorate Plans, 30 Service Plans and 76 Corporate Key Performance Indicators. There are currently 16 strategic and 27 directorate risks.

A number of modernisation projects and programmes across the organisation in all directorates are managed from the Programme Management Office which is funded largely from one-off modernisation funding. There are currently approx. 25 corporate and 25 directorate projects/programmes. The Business Improvement team is also funded through this one-off resource with a focus on conducting reviews to manage customer demand and deliver efficiencies. The team conducts approx. 18 reviews per year.

**Corporate Communications (net Budget: £0.640m)** – The Communications Team connects the council and its services with the city. By using expert, specialist skills across a range of disciplines, we accurately communicate news and information that improves engagement and enhances and protects reputation with stakeholders. From crafting engaging content, to project managing campaigns that help change behaviors, the Communications Team provides a fully integrated service that combines:

- Marketing – helping you to turn complex messages into impactful content that reaches your audience.
- Media relations – turning your information into compelling news stories across newspapers, TV and radio, and putting the story straight when you're misrepresented.
- Branding – managing the council's identity so that our 700+ services are clearly recognized.
- Internal communications – keeping staff and councilors connected to what's going on across the council and why.
- Digital communications – broadcasting online, building a strong presence in a city that thrives on digital media.
- Graphic design – creating powerful, visual, branded content that stands out.

Whether it's a one-off message or a sustained multi-media campaign, we business partner with services to:

- achieve business objectives through communications strategies
- implement creative campaigns
- provide measurable results
- communicate with and engage staff
- lead on crisis and reputational communications

Imperative to the effectiveness of the Communications Team is agreement on the council's delivery plan for 17-18 and 18-19. Progress is being made on this which will help to embed the campaign-led approach using an account management model (with a better service offered to the directorates).

The service is going through a small review of its digital communications to ensure resources are allocated to enable greater resilience, flexibility and strategy.

## Strategy, Governance &amp; Law

## ISFP Summary

Department	Gross budget 2017-18	Net budget 2017-18	Posts 2017-18	Savings 2017-18	Savings 2018-19	Savings 2019-20
	£'000	£'000	FTE	£'000	£'000	£'000
Corporate Policy	658	595	4.7	60	20	10
Democratic & Civic Office Services	1,771	1,698	19.8	87	32	29
Legal Services	1,628	1,313	49.4	120	59	40
Life Events	3,266	(180)	48.1	251	20	20
Performance, Improvement & Programmes	1,353	697	35.4	113	48	26
Communications	673	640	16.5	61	46	31
<b>Strategy, Governance &amp; Law</b>	<b>9,349</b>	<b>4,763</b>	<b>173.9</b>	<b>692</b>	<b>225</b>	<b>156</b>

## ISFP Detail

Service Area					Service & Financial Strategy			Savings Detail		
Section	Service Area	Gross budget 2017-18	Net budget 2017-18	FTEs 2017-18	Rationale for Strategy	Service & Financial Proposals	Delivery Risk & Impact on Outcomes	Savings 2017-18	Savings 2018-19	Savings 2019-20
		£'000	£'000					£'000	£'000	£'000
STRATEGY, GOVERNANCE & LAW										
CORPORATE POLICY										
Chief Executive	Chief Executive	266	266	2.0	This budget supports the salary and work of the Chief Executive Officer, his PA and the running costs of his office.	This budget was reduced to a minimum in 2015/16 with a significant reduction in the. Staffing and associated support o the Chief Executive. There is therefore no scope for further savings		-	-	-
Corporate Policy (Policy development, Brighton & Hove Strategic Partnership, overview & scrutiny team)	Policy & Partnerships	392	329	2.7	This provides policy, scrutiny and partnership support to the Council to ensure efficient and effective long term strategic planning and joint working with city partners.	Savings through restructure + reducing non-staffing budget + reducing initiatives budget. This service has seen a significant reduction in capacity last year (£0.104m)	Delivery Risk: None anticipated.  Impact on Outcomes: Medium/high impact as fewer resources to do proactive work to improve effectiveness and efficiency of the organisation.	60	20	10
Corporate Policy Total		658	595	4.7				60	20	10
DEMOCRATIC & CIVIC OFFICE SERVICES										
Democratic Services	Democratic Services	551	498	15.0	This will focus on achieving savings that have minimum	Savings through service redesign, use of information	Delivery Risk: The savings, especially those relating to	30	32	29

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					impact on the support available.	technology, rationalising supplies and services and a reduction in the offer available to support Members and officers by focusing on priority areas.	printing, are dependent on the necessary investment and support from ICT (e.g. tablets for electronic agenda access.) Support for non-decision-making meetings may have to be withdrawn, with greater pressure on staff and less support to members.  Impact on Outcomes: There may be some cost-displacement to other services from reduced support to meetings. Less development support for members and a reduction in the overall support to members.  See EIA 23			
Leadership & Civic Support	Civic Mayors Office/ Mayors Allowances/ Political Admin Support	163	143	4.8	Service redesign to be undertaken.	The redesign of the service to ensure that an effective support function can be delivered to the Leadership and Civic offices has been completed and costs relating to the staffing for these services to maintain continuity of provision and will be reviewed for future year potential savings as part of the budgetary process	Delivery Risk: Costs may re-emerge if service continuity is not secured.  Impact on Outcomes: No impact on outcomes expected.			
Members' Allowances	Members' Allowances	1,057	1,057	-	Any saving must be designed in a way that aligns with the democratic governance arrangements.	In 2017/18 £24k savings were achieved from national insurance contributions which are no longer needed together with freezing Members allowances for the year.  <b>A £33k Joint Amendment (£43k full-year effect) was carried at Budget Council for 2017/18.</b> The Independent	Delivery Risk: These changes require recommendation by the Independent Review Panel and agreement by Full Council. If recommendation is no change or Council rejects it, it will be difficult to deliver the budget.  Impact on Outcomes: Less room for flexibility.	57	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						Remuneration Panel has reviewed the current Members Allowances Scheme and its report is due to be considered at PR&G on the 30th November and full Council on the 14th December and is recommending that no change to the Scheme be implemented. If supported, this will mean a pressure on the budget which is reflected in the main budget report.				
<b>Democratic &amp; Civic Office Services Total</b>		<b>1,771</b>	<b>1,698</b>	<b>19.8</b>				<b>87</b>	<b>32</b>	<b>29</b>
<b>LEGAL SERVICES</b>										
Legal Services	Legal Services (Note: income of £0.047m from services to schools has been netted off with gross budget).	1,486	1,171	33.1	The proposed savings are designed to protect legal support for core, high risk priority services. They involve a substantial reduction in capacity with corresponding reduction in the support available. Legal Services will maximise income where possible and introduce an element of charging for non-core services. A careful balancing act will be needed to ensure the exposure to risk is commensurate with the benefit of the savings and with the risk of increased external spend if demand for work cannot be managed internally.	The projected savings for 2017 will be achieved from a combination of a reduction of services and staffing, trading and charging. The projected savings for 2018 onwards will be achieved from within the Orbis Public Law partnership or, if the Orbis option does not achieve efficiencies with sufficient speed, a combination of trading, a reduction in services and staffing and charging for non-core services. The strategy for Orbis Public Law is to achieve greater resilience, economies of scale and an opportunity to trade, enabling the support of priority services and objectives.	Delivery Risk: Reduction in legal advice and representation at a time when demand is likely to rise. During a period of change to service provision the likelihood of legal challenge is higher and the demand for legal advice is increasing. The numbers of proceedings that can be supported may be reduced, contract support limited to high value contracts, non funded areas of advice stopped and preventative advice reduced. The proposal to join Orbis Public Law has the potential to mitigate some of the impact of this. However, the Orbis Public Law option also requires savings levels to be agreed between authorities and it is not clear if the others will accept a 30% saving.  Impact on Outcomes: The proposed savings will adversely	120	59	40

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
							impact on the service's ability to provide robust legal support. It will mean the service will increasingly focus on reactive legal input rather than enabling and preventative advice and support. For example, focus on litigation\ET cases rather than proactive support at early stages of a matter. Advice to member panels and procurement support will be limited to high value contracts. Non funded areas of work will cease or be significantly reduced (e.g. community safety).			
Safeguarding & Advice (Children & Adults)	Safeguarding & Advice (Children & Adults)	142	142	16.3	This is a critical service funded largely directly by the clients (Children and Adults). It is therefore not proposed to reduce the budget beyond the proportion attributable to the core funding of the service and where there is less impact.	It is proposed to review the provision of the service as part of the Orbis Public Law initiative. Savings realised must be consistent with the need to ensure support for the safeguarding function. This will include looking at opportunities for efficiencies e.g. an in-house advocacy service. It is unlikely that significant savings can be made here without a disproportionate increase in risk. A commercial approach will be taken where possible for example undertaking paid for DoLS work for the CCG and proposing a buy back offer for services to schools. The number of childcare proceedings has risen by almost 50% in 2017-18. To reduce the funding in this area would impact on the ability of the Council to issue and	Delivery Risk: Any significant reduction in resources will impact on the council's ability to discharge its safeguarding obligations at a time where there is a national trend of significant increase in care proceedings. This risk applies to all options but may be mitigated with Orbis Public Law as it increases resilience, in particular through considering the use of in-house advocates more widely.  Impact on Outcomes: There will be some impact on the legal capacity as demand has continued to increase. The numbers of proceedings issued have significantly increased for both adults and children's.	-		



## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						progress care proceedings in line with our statutory responsibilities				
<b>Legal Services Total</b>		<b>1,628</b>	<b>1,313</b>	<b>49.4</b>				<b>120</b>	<b>59</b>	<b>40</b>
<b>LIFE EVENTS</b>										
Life Events	Crematorium	424	(859)		- Regularly review cremation fees and charges using benchmarking from other Local authorities, taking account of all unit costs.	Regular fee and charge increases in line with local area and business requirements, and reviews of unit costs. For 2017-18 it is proposed to maintain cremation fees and charges at current rates, and accept a cost of living increase of around 2% for the new financial year, but not go any higher. There are existing pressures on income targets for the no's of cremations being booked at Woodvale. No savings are proposed in 18-19 due to uncertainties in levels of business for the Bereavement Services Team at Woodvale	Delivery Risk: Cremation no's need to be maintained. Can be affected by competitor activity and mortality rates.  Impact on Outcomes: No impact expected. Option of fee and charge increases are a risk, as this can be contentious.	-	-	-
Life Events	Welfare Funerals	60	13		- Review of provision of welfare funeral services to operate in a different way and explore reducing staff costs and operating costs. Potential use of external company for searches for next of kin may reduce need for public health funeral.	Changes to delivery of welfare services - involving outside company considerations. No savings proposed currently for this business area. The new Bereavement Services staffing structure will allow for a review of this element of the service, including an evaluation of affordable funeral options, as well as different delivery models, moving forward.	Delivery Risk: Changes to service delivery are potentially high risk and need to be explored further - including reputational risk with stakeholders.  Impact on Outcomes: There will be a review of Welfare Funeral services that will include options to assist those experiencing funeral poverty, by introducing affordable funeral packages / options. Customer engagement with funeral directors necessary.	10	-	-
Life Events	Coroners Transfer Service	483	483	7.0	Consider review of service and tender to a Funeral Director	Review of service to work in a different way and consider	Delivery Risk: Obtaining contract with reputable funeral	5	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
					service instead of using in-house staff team from mortuary.	external Funeral Director service to provide CTS service. This is common practice across other local authority services. No savings proposed as HM Senior Coroner for Brighton & Hove requires in-house provision of service. Other service delivery options need to be evaluated / considered, and any change agreed with our Senior Coroner	director who meets Coroner's requirements.  Impact on Outcomes: Potential for changes but short-term cost likely as there will be pay protection compensation issues to cover, prior to setting up new arrangements. Not as straightforward as simply procuring a new contract with a funeral director.			
Life Events	Memorialisation	65	(56)	1.0	Introduction of new products and development of existing products.	Increase in sales through product review to increase range of products and promote existing products.	Delivery Risk: Ineffective skills development could impact on savings.  Impact on Outcomes: No impact on service expected.	5	15	15
Life Events	Bereavement Management, Cemeteries and Mortuary	981	392	9.0	To increase work / shift patterns to enable increased service delivery.	Service redesign to increase service delivery. Removal of senior officer post and assistant through Management Spans & Accountability Review (MSA Review). Consider extending working day to enable more cremations and offer more funeral services. This will entail additional shift work patterns. Bereavement Services - <b>In 17-18</b> 5% increase on burials only – not increasing cremation fees due to competitor and threat to levels of business. Increased income of £0.014m. <b>For 18-19</b> No savings proposed because of uncertainties in relation to levels of business. Currently there are less cremations and funeral services being booked at Woodvale. The new service	Delivery Risk: Risks are not attaining market share we aspire to attain. Unable to invest to reach aspired service levels. Dependent on the same level of business as we currently have for burials.  Impact on Outcomes: Significant impact after none expected in year 1. Redesign is unlikely to deliver savings in terms of staffing reduction but provides opportunity for increased business. Review of working practices may present some opportunities, but not fully assessed.	19	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
						redesign introduces better engagement with local funeral directors and other stakeholders, to highlight quality service provision, and encourage and promote Woodvale as the first choice for local funeral directors and residents of our city. No increases in fees and charges are proposed for the coming year, to mitigate against the risk of further reductions in business levels				
Life Events	Registrars	603	(267)	17.8	Fees and charge review and regular increases backed up by benchmarking info' from other local authorities, taking account of all unit costs.	Registration services - Increase in fees and charges in line with local area and business requirements, and review of unit costs to generate £0.040m more income. This would be an increase in fees and charges for service for a 3 <sup>rd</sup> year running above cost of living.	Delivery Risk: Business volumes need to be maintained. Reliant on customer demand. Elements of statutory fees but opportunities exist for other fees. Requires PR&G Committee approval of fees. Impact on Outcomes: No impact on service expected.	40	5	5
						Redesign option and closure of search room – signpost to digital certificate service. Reduction in staffing levels - potential saving of £0.022m.		22		
						Combination of service enhancements including birth registration packages and wedding ceremony “packages” saving £0.020m. Existing business packaged differently. Additional work to be done to quantify exactly, but opportunities are there. Deliverable if enhancements and packages are marketed appropriately. Training for staff required.		20		
Life Events	Elections and Land	650	114	13.3	TBC	Local Land Charges- An	Delivery Risk: There is a risk	123	-	-

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
	Charges					increase in the search fees by £5, to £120 generating £0.023m. <b>Green amendment 2 increase LLC fees 100k For 18-19</b> no savings proposed. Fee increases for property searches last year, have resulted in reductions in no's of property searches, and any proposed increases would risk further risk current business levels	that more people may switch to personal search.  Impact on Outcomes: No impact on service expected.			
						Electoral Services - <b>17-18</b> A number of small operational changes could enable a saving on significant postal charges for a process the service are able to avoid, saving £0.007m. <b>For 18-19</b> no savings proposed. The Electoral Services budget will be reviewed during Business Improvement work scheduled for early 2018, with a view to informing and recommending a service redesign.		7		
<b>Life Events Total</b>		<b>3,266</b>	<b>(180)</b>	<b>48.1</b>				<b>251</b>	<b>20</b>	<b>20</b>
<b>PERFORMANCE, IMPROVEMENT &amp; PROGRAMMES</b>										
Performance, Improvement & Programmes (Permanent Budget)	Performance, Programme Management Office, Business Process Improvement, Risk, Customer Experience	697	697	17.8	Responding to customer complaints includes statutory duties. Critical to drive customer satisfaction, efficiency and continuous improvement within the organisation.	2018-19 and 2019-20 - Reduce corporate support for driving customer satisfaction, efficiency and continuous improvement.	Delivery Risk 18-19 and 19-20: This will result in reduction in our ability to respond to customer feedback and improve customer experience. Also, this will result in adverse impact on corporate oversight of performance and risk resulting in potentially missed opportunities to identify areas not performing well early on and delayed management action to address poor performance. Costs may re-emerge if need	113	48	26

## APPENDIX 2

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		£'000	£'000					£'000	£'000	£'000
							for change capacity becomes essential.  Impact on Outcomes: Medium/high for 2019-20 as fewer resources to do proactive work to improve effectiveness and efficiency in the best interest of customers and reduced corporate assurance and governance. Reduced capacity to do cross-cutting work and drive innovation.			
Programme Management Office (Temporary funding from internal modernisation fund)	Programme Management Office - building capacity across the organisation by delivering training and developing toolkits + quality assurance on behalf of the modernisation boards	656	-	17.6	Critical to drive modernisation initiatives particularly cross-cutting across the organisation to enable efficiency savings and at the same time improving customer experience.	This team is funded from one-off modernisation funding so unable to contribute to the revenue savings. The one-off funding is to be protected as part of a wider strategy to drive modernisation in the council which is a key enabler for achieving budget savings				
<b>Performance, Improvement &amp; Programmes Total</b>		<b>1,353</b>	<b>697</b>	<b>35.4</b>				<b>113</b>	<b>48</b>	<b>26</b>
<b>COMMUNICATIONS</b>										
Communications	Communications	694	677	13.9	The Communications budget has been thoroughly reviewed and savings have been found from product and supplies codes which are no longer required or necessary. The structure of the team has also been reviewed and there will be the deletion of one post and small restructure in the Digital Comms arm of the team.	Continuation of Business Partnering Service for the council offering multi-skilled communication team members to support services across the council.	Delivery Risk: Funding would be required on a project basis in later years for service demands that are over and above the core service offer.  Impact on Outcomes: Potential for improved service to the organisation, improved customer satisfaction, and development of multi skilled staffing.	61	46	31
Communications	Graphic Design Team (Note: income of £0.133m)	(21)	(37)	2.6	In-house service currently recovers direct costs through recharges but not all overheads.	Aim is to cover all costs including overheads through income generation.	Delivery Risk: Resource capacity within team may be an issue and the market for	-	-	-

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		£'000	£'000					£'000	£'000	£'000
	from other council services has been netted off within gross budget).				The aim is to increase the proportion of external business.	Consideration could also be given to moving to an external commissioning model in the longer term. Savings to this team can only be made through the further deletion of posts in the team. This would mean the council having to use external designers to cope with demand and this would mean an increase in design costs to other teams across the council.	external business is untested which may reduce income opportunities.  Impact on Outcomes: No impact on service expected.			
<b>Communications Total</b>		<b>673</b>	<b>640</b>	<b>16.5</b>				<b>61</b>	<b>46</b>	<b>31</b>
<b>Strategy, Governance &amp; Law Total</b>		<b>9,349</b>	<b>4,763</b>	<b>173.9</b>				<b>692</b>	<b>225</b>	<b>156</b>

## Appendix 3 – Capital Investment Programme

Capital Investment Programme – 10 Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000
<b><u>Approved Schemes</u></b>										
Health & Adults Social Care	-	-	-	-	-	-	-	-	-	-
Families, Children & Learning	31,659	-	-	-	-	-	-	-	-	-
Economy, Environment & Culture	21,472	8,459	835	-	-	-	-	-	-	-
Neighbourhood, Communities & Housing – GF	658	685	712	741	770	801	833	866	800	800
Neighbourhood, Communities & Housing – HRA	14,848	-	-	-	-	-	-	-	-	-
Finance & Resources	1,300	-	-	-	-	-	-	-	-	-
<b><u>Identified Schemes Not Yet approved</u></b>										
Health & Adults Social Care	2,500	-	-	-	-	-	-	-	-	-
Families, Children & Learning	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Economy, Environment & Culture	7,049	28,250	39,750	84,000	42,000	-	-	-	-	-
Neighbourhood, Communities & Housing – GF	26,966	24,841	9,840	-	-	-	-	-	-	-
Neighbourhood, Communities & Housing – HRA	26,873	21,254	26,624	19,677	29,283	21,699	17,688	26,592	19,391	19,990
Finance & Resources	-	-	-	-	-	-	-	-	-	-
<b><u>Funding to be Allocated</u></b>										
Health & Adults Social Care	500	500	500	500	500	500	500	500	500	500
Families, Children & Learning	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Economy, Environment & Culture	8,587	9,162	7,419	7,250	7,250	7,250	7,250	7,250	7,250	7,250
Neighbourhood, Communities & Housing – GF	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Neighbourhood, Communities & Housing – HRA	-	-	-	-	-	-	-	-	-	-
Finance & Resources	4,400	2,700	500	500	500	500	500	500	500	500
<b>Total</b>	<b>151,312</b>	<b>100,351</b>	<b>90,680</b>	<b>117,168</b>	<b>84,803</b>	<b>35,250</b>	<b>31,271</b>	<b>40,208</b>	<b>32,941</b>	<b>33,540</b>
<b><u>Funded by:</u></b>										
Government Grants (non ringfenced)	39,928	8,269	8,169	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Government Grants (ringfenced)	8,282	6,040	4,500	5,000	2,000	2,000	2,000	2,000	2,000	2,000
Capital Receipts	32,586	350	1,750	16,750	1,750	1,750	1,750	1,750	1,750	1,750
Capital Reserves	2,046	6,168	862	741	770	801	833	866	800	800
External Contributions	6,367	7,504	13,600	18,000	-	-	-	-	-	-
Direct Revenue Funding	1,080	535	500	500	500	500	500	500	500	500
Revenue contribution capital (HRA self financing)	32,208	24,914	27,885	26,101	21,971	20,651	21,383	26,103	26,238	30,653
Council Borrowing	39,753	45,081	34,675	48,500	42,500	500	500	500	500	500
<b>Total Funding</b>	<b>162,250</b>	<b>98,861</b>	<b>91,941</b>	<b>123,592</b>	<b>77,491</b>	<b>34,202</b>	<b>34,966</b>	<b>39,719</b>	<b>39,788</b>	<b>44,203</b>
Funding (Surplus) HRA	(205)	(4,260)	(1,261)	(6,424)	7,312	1,048	(3,695)	489	(6,847)	(10,663)
Funding Gap / (Surplus) General Fund	(10,733)	5,750	0	0	0	0	0	0	0	0
Cumulative Gap / (Surplus) General Fund	(10,733)	(4,983)	(4,983)	(4,983)	(4,983)	(4,983)	(4,983)	(4,983)	(4,983)	(4,983)





<b>Subject:</b>	<b>Saltdean Lido Restoration Project</b>		
<b>Date of Meeting:</b>	<b>30<sup>th</sup> November 2017</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Ian Shurrock</b>	<b>Tel: 01273 292084</b>
	<b>Email:</b>	<b><a href="mailto:ian.shurrock@brighton-hove.gov.uk">ian.shurrock@brighton-hove.gov.uk</a></b>	
<b>Ward(s) affected:</b>	<b>Rottingdean Coastal</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Saltdean Lido Community Interest Company (SLCIC) were appointed the council's preferred bidder in the project to restore the Grade 2\* Saltdean Lido and remove the building from the English Heritage "At Risk Register". This report provides an update on the progress made by SLCIC to meet the considerable challenge to restore the Lido.
- 1.2 Members are also being asked to approve a loan of £0.22 million to SLCIC to enable the revision of the Stage 2 bid to the Heritage Lottery Fund (HLF) for £4.2 million which is required to achieve the ultimate aim of the council, SLCIC and the local community, which is a sustainable fully restored Saltdean Lido.
- 1.3 A revision of the Stage 2 HLF bid is considered necessary by SLCIC to give a greater chance of the bid being successful. Since submitting the Stage 2 bid to the HLF the SLCIC have identified improvements to the viability of the project. A revised restoration process to the concrete structure of the main building has identified the potential to reduce the estimated capital cost of the restoration from £9 million to £7.8 million (see 3.12 for further information). In addition, SLCIC have identified a new funding strategy principally through achieving Charitable Trust status which widens the potential avenues of funding.
- 1.4 Since Members considered a report in February 2017, SLCIC have reopened the swimming pools with 35,708 customers enjoying a shortened season. With a full season next year the number of attendances could exceed 50,000.
- 1.5 The HLF are supportive of the approach being taken by SLCIC and would welcome a revised Stage 2 application that has improved viability and therefore a greater likelihood of being successful. The HLF have not determined the existing Stage 2 bid, as a rejection would result in a totally new application being required, which would bring into serious question the feasibility of the SLCIC undertaking this project. Instead the HLF have been extremely supportive by keeping the Stage 2 bid process for the Lido open. However, the process cannot be left open indefinitely and SLCIC are required to revise their Stage 2 bid as soon as possible. The HLF would welcome the council providing financial support in the form of a loan to the CIC to help the project to restore one of the council's own facilities.

## **2. RECOMMENDATIONS:**

- 2.1 That the Committee notes the progress made by SLCIC including the restoration of the pools which reopened for public use during the summer.
- 2.2 That the Committee approves the granting of a loan of £0.22 million to SLCIC to enable a revised Stage 2 lottery bid for £4.2 million to be considered by the Heritage Lottery Fund.
- 2.3 That the Committee delegates authority to the Executive Director Economy Environment & Culture to agree the terms of the loan with the CIC and take all necessary steps to progress these recommendations.

## **3. CONTEXT/ BACKGROUND INFORMATION**

### Appointment of SLCIC as preferred bidder for Saltdean Lido

- 3.1 A Special Policy & Resources Committee on 30<sup>th</sup> May 2012 authorised the surrender of the previous lease of Saltdean Lido following concerns about the standard of service that was being provided and the level of maintenance being undertaken on the main Lido building.
- 3.2 In March 2013 the council marketed the Saltdean Lido site by inviting expressions of interest. Those interested parties were provided with further information and invited to submit an Initial Bid which was evaluated on their ability to meet the following list of key outcomes:
  - A well-used, accessible, year-round community and leisure facility
  - A building and surrounding grounds that are renovated in a manner that would be likely to receive Listed Building Consent and, if required, planning permission
  - Improved swimming pool provision
  - Financially sustainable for the term of the lease including meeting all maintenance requirements and statutory obligations
  - Improved library facilities
  - No ongoing BHCC subsidy
  - An environmentally sustainable facility
- 3.3 The SLCIC were appointed preferred bidder which enabled negotiations to commence with the council on the terms of the lease.

### Policy, Resources & Growth Committee February 2017

3.4 At the Policy, Resources & Growth Committee in February 2017 the following were approved:

- Entry into the Conditional Agreement for Lease with SLCIC.
- Entry into the 60 year lease for the Lido when the conditions are satisfied in accordance with the Conditional Agreement for Lease.
- Grant funding of up to £0.7 million for temporary library provision and a new library in the restored Saltdean Lido and agree to include this commitment in the capital programme 2018/19.
- The investment of up to £0.7 million would be funded through borrowing with the financing costs estimated to be £0.040 million per annum, and agree to this commitment being included in the Budget from 2018/19.

### Project Summary

3.5 SLCIC have summarised their full restoration project as:

“To restore Saltdean Lido, the only grade II\* listed coastal lido in the country: The CIC will sympathetically restore the building whilst creating a commercially viable leisure destination. The Lido will become a community resource and tourist attraction with a heated pool and poolside café, children’s pool and wet play area, multi-use function and event space, community space and a library, all incorporating features which interpret and celebrate the heritage of the building. The Lido will be managed by the CIC to ensure that the heritage remains protected and accessible to local people. Saltdean Lido will become a national tourist destination, its iconic design social history will be celebrated and visitors will have access to high quality facilities. New employment, volunteering opportunities, and apprenticeships will be created. Our robust Business Plan will ensure a sustainable future for the site and will act as a catalyst for economic growth.”

The restoration is being undertaken in phases:

### Phase 1 Works – which enabled pools to open this summer

- 3.6 SLCIC made a successful bid to the Coastal Communities Fund for £2.29 million which has contributed towards the funding needed to restore the outdoor pool, reinstate the children’s pool, provide a new plant room for the circulation and heating of the pool water, landscaping around the pool and changing rooms (phase 1). The re-opening of the pools this summer was well received. A significant proportion of the S106 funding from the Ocean Hotel development (£170k) was also used in the funding of these improvements. A 5 year lease has been granted to the SLCIC for the external area.
- 3.7 SLCIC requested a short term loan from the council of £30k towards the Phase 1 works. A repayment of £10k has already been made and the expectation is that the loan will be repaid by the end of November 2017.

### Phase 2 Works

- 3.8 SLCIC were also successful in being awarded a Stage 1 grant from the HLF of £576k to fund the development of a detailed Stage 2 funding application for a grant of £4.2M. This application now requires revision as per 3.12 below.
- 3.9 If the SLCIC are successful in this application, the intention is to use the funding to make the original “1937” part of the building structurally sound (the harsh marine environment and use of sea dredged aggregate in the original construction, means the building is currently in very poor condition). This would include completion of remediation work to the wings and central rotunda (the unique art deco façade that is visible when looking from the A259). While this work is being undertaken it would still be possible to operate the library.
- 3.10 While these Phase 2 works are being undertaken, the SLCIC will continue to implement their funding strategy to achieve the funding needed to complete the full restoration. The HLF would not approve the Stage 2 funding application for a grant of £4.2M unless a credible funding strategy is in place for the restoration.

### Phase 3 Works – Including new library

- 3.11 These works would complete the restoration of the main building to provide a multi-use function and event space together with community space. In addition, the proposal includes providing an extension to the restored Lido building which would house a new library.

### Revision of Stage 2 Funding Application to the HLF

- 3.12 The loan of £0.22 million would fund the revision of a considerable number of individual documents including background information to enable a revised Stage 2 bid to the HLF within categories including:
- Development Appraisal and Conservation Deficit
  - Project and Construction Management Structure
  - Activity Statement
  - Project Expenditure Cash Flow
  - Cost Forecast Breakdown including Cost Plan and Risk Profile
  - Deeds, Leases and Mortgages
  - Design and Services
  - Management and Maintenance Plan
  - Conservation Plan
  - Business Plan
  - Letters of Support
  - Briefs for Delivery Works, Job Descriptions
  - Partnership Agreements
  - Delivery and Project Programmes
  - Interpretation Plan
  - Fundraising Strategy
- 3.13 A key element of the revision is a new method that has been developed in relation to concrete refurbishment. The use of sea dredged aggregate in the original construction and the harsh sea environment has led to a twofold attack

on the integrity of the concrete structure which is now in very poor condition. Consultants working on behalf of the CIC in conjunction with Heritage England have revised the method to restore the main building which meets Heritage and Listed Building regulations. The CIC indicate that this new method has greater certainty of cost with a saving of over £1 million of refurbishment costs from the original proposal.

- 3.14 The intention is for SLCIC to complete the revised bid so that hopefully the HLF will be in a position to determine the application in June 2018.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 A previous report to the Policy & Resources Committee on 24th January 2013 set out the options for marketing the site and achieving the restoration. A robust evaluation process was used to consider the bids to restore and operate the Lido, and select the preferred option.
- 4.2 SLCIC have not identified any other potential source of funding to enable to revise the Stage 2 HLF bid other than to request a loan from the council.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 SLCIC have a significant membership base and engage regularly with the local community through events and other activities. The Heritage Lottery Fund Case Officer for Saltdean Lido has been consulted on this report.

#### **6. CONCLUSION**

- 6.1 A successful bid to the HLF for £4.2 million is essential for the SLCIC to achieve the restoration of Saltdean Lido. Therefore, while a loan would not guarantee the success of the restoration, it is necessary to develop a bid with improved viability that has a greater chance of a success.
- 6.2 If SLCIC are unable to achieve the restoration of the main Lido building, in all likelihood the premises would revert back to the council as the freeholder.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The SLCIC have provided a revised cost and funding plan to complete phase 2 and 3 that relies substantially on the success of the HLF bid of £4.2m. The cost plan has been developed with expert support and reflects the cost reductions from the revised approach to concrete refurbishment. The funding plan identifies a range of funding avenues including, trusts, foundations, corporate sponsors and local fundraising. Whilst these avenues have the potential to provide the match funding required, and a number of them have already been contacted, at this stage of the project there will only be limited commitment. Therefore the SLCIC have undertaken a probability of success based review of these funding streams in arriving at the match funding which is a prudent approach.

- 7.2 The proposed loan of £0.220m will provide funding to enable the SLCIC to revise their submission to the HLF and their business plan but does not guarantee success.
- 7.3 If the HLF bid is successful, the SLCIC propose to repay the loan over a period of 5 years through its fundraising activities and planned repayments within their business plan.
- 7.4 However should the bid fail the loan is at risk as this would leave the SLCIC unable to repay from fundraising activities. In addition the Saltdean Lido building could revert to the council who would then be responsibility for maintaining the listed building.
- 7.5 The loan terms have yet to be agreed but will not have interest applied as the loan will facilitate the restoration of a heritage asset that would otherwise be a council responsibility and will support the ongoing sustainability of the Saltdean Lido's business plan. The loan will be funded from unallocated capital receipts. The Budget Update report to this committee in July 2017 highlighted there was £7.5m unallocated receipts; subsequently, this committee allocated £2.5m of this funding for the replacement of the current Care First system. This means there is £5.0m unallocated subject to recommendations elsewhere on this agenda. When the £0.220m loan is repaid, this will be available for reallocation within the capital programme.
- 7.6 To date the council has provided £20,000 grant to match funding provided by Lewes District Council in support of the developments by SLCIC, and a £30,000 loan which is due to be repaid by the 30<sup>th</sup> November 2017.
- 7.7 The council has committed to £700,000 funding in the capital programme to fund a temporary library during the refurbishment of the Lido building and the replacement library.
- 7.8 In Summary the council is proposing to provide a £220,000 loan to the SLCIC to support an HLF bid and deliver £7.8m investment into the restoration of a grade II listed building, Without the loan, the restoration responsibility would revert to the council although there is no alternative funding proposal to complete this work. If the loan is granted but the bid is unsuccessful the council is unlikely to be able to recover the loan.

*Finance Officer Consulted: James Hengeveld*

*Date: 07/11/17*

*Legal Implications:*

- 7.9 The council has carefully considered whether the proposal contained in this report raises state aid concerns. The legal advice is that there are strong arguments that the assistance does not amount to state aid as the council is facilitating the restoration of its own heritage building.

*Lawyer Consulted: Alice Rowland*

*Date: 08/11/17*

Equalities Implications:

- 7.10 The council seeks to provide a range of opportunities for residents to participate in sport and community activities across the city and the Lido is recognised as an important part of community leisure provision.

Sustainability Implications:

- 7.11 A restored Lido would include a number of improvements to the environmental sustainability of the building including improved insulation and energy efficient plant.

Any Other Significant Implications:

- 7.12 The provision of improved sport and leisure opportunities will benefit the health and well-being of the local community and other visitors.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. None

**Documents in Members' Rooms**

1. None

**Background Documents**

1. Reports to the Culture, Recreation and Tourism Cabinet Member meeting on 6<sup>th</sup> December 2011 and 6<sup>th</sup> March 2012
2. Reports to the Policy & Resources Committee on 30<sup>th</sup> May 2012, 24<sup>th</sup> January 2013, 5<sup>th</sup> December 2013 and 9<sup>th</sup> February 2017
3. Reports to the Economic Development & Culture Committee on 20<sup>th</sup> September 2012 and 19<sup>th</sup> September 2013





<b>Subject:</b>	<b>Interim Review of Members’ Allowances</b>		
<b>Date of Meeting:</b>	<b>30<sup>th</sup> November 2017</b> 14 <sup>th</sup> December – Full Council		
<b>Report of:</b>	<b>Executive Lead for Strategy, Governance &amp; Law</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Wall</b>	<b>Tel: 01273 291006</b>
	<b>Email:</b>	<a href="mailto:mark.wall@brighton-hove.gov.uk">mark.wall@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Following the decision at the Budget Council meeting on the 23<sup>rd</sup> February, 2017 savings of £43k were set against the Members Allowances budget. In order to implement any changes to the Members Allowances Scheme it is necessary to consult with the Independent Remuneration Panel (IRP) and to receive their recommendations.
- 1.2 The IRP have undertaken an interim review and their recommendations are outlined in appendix 1.

**2. RECOMMENDATIONS:**

Policy, Resources & Growth Committee

- 2.1 That the report of the Independent Remuneration Panel is noted and referred to full Council for decision.

Full Council

- 2.2 That the report of the Independent Remuneration Panel is noted and a decision taken on the Panel's recommendations.
- 2.3 That the Chief Executive be authorised to publish the Brighton & Hove Members' Allowances Scheme in accordance with the regulations following council approval.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The saving of £43k to be found from the Members Allowances Scheme has been split into a savings target of £33k for 2017/18 and £10k for 2018/19. Whilst the overall Members Allowances budget for 2017/18 was reduced by £33k at the start of the financial year, the current TBM projection shows a potential overspend of £24k.

- 3.2 The budget savings agreed were to be attributed to the allowances paid to councillors and as such are dependent on a review of the level of allowances by the IRP. The recommendations of the IRP have to be considered by full Council and it is then for the Council to decide whether to accept the Panel's recommendation(s) or decide on an alternative level of allowances.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 There is a need for the IRP to review any changes to the Members Allowances Scheme and for the full Council to take the recommendations of the Panel into consideration.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The IRP have met with the Leaders of the Groups and senior officers.

#### **6. CONCLUSION**

- 6.1 The IRP have put forward their report and recommendations which are outlined in appendix 1 to the report and these need to be referred to the full Council for consideration.

#### **7. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 7.1 The Members Allowances Budget of £0.921m includes a budget of £0.904m to cover the cost of the basic and special responsibility allowances and national insurance contributions; with the remainder set aside to cover supplies & services. Following the decision of Budget Council in February 2017, a saving of £0.043m has been built into the budget for Members' Allowances. If the IRP recommendations in Appendix 1 are approved, then there will be a budget pressure of £0.043m from 18/19 onwards that will need to be funded.

*Finance Officer Consulted: James Hengeveld: 10/11/17*

##### Legal Implications:

- 7.2 The proposals in this report comply with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003 and associated guidance.
- 7.3 There are no adverse Human Rights Act implications arising from this report.

*Lawyer Consulted: Abraham Ghebre-Ghiorgis*

*Date: 08/11/2017*

##### Equalities Implications:

- 7.4 The proposal to retain the current Members Allowances Scheme provides an equal benefit to all councillors.

Sustainability Implications:

- 7.5 There are no sustainability implications arising directly from the report.

Any Other Significant Implications:

- 7.6 There are no other significant implications associated with the report.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Report of the Independent Remuneration Panel

**Background Documents**

1. Members Allowances Scheme
2. Report of the Independent Remuneration Panel 2014

**Documents in Members' Rooms**

1. None

# **Members' Allowances Scheme 2017-2019 For Brighton & Hove City Council**

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## **An Interim Report by the Independent Remuneration Panel**

**Mr Ken Childerhouse (Chair)  
Mr Martin Andrews  
Mr John Bateman  
Ms Rachel Potter**

**1 November 2017**

***Brighton & Hove City Council Independent Members' Remuneration Panel***

## **Chair's Foreword**

The role of the Panel, under the Local Authorities (Members' Allowances) (England) Regulations 2003, is to make recommendations to the City Council as to the responsibilities or duties in respect of which allowances should be available and the amount of those allowances. In doing so we are able to look at various elements of the Members' Allowances Scheme (the Scheme).

Our review in 2014 concentrated on putting forward a scheme of allowances that would inform and encourage prospective candidates to stand for election in 2015 so as to enable them to understand the financial support available should they be elected. The intention being that the new Members Allowances Scheme would be operative from May 2015 and remain in place for the four-year term of the Council.

In being requested to undertake an interim review following the Budget Council decision, we have endeavoured to gather some evidence as we are mindful of the need to have a sound evidence base for our recommendations. We have therefore reviewed the recent South East Employers report on Members Allowances and also met the Leaders of the three Groups to understand their views on the level of allowances where any potential changes could be made.

The recommendations we have outlined in our report therefore take into consideration that the Scheme agreed in 2014 was to run until 2019 so as to provide a clear basis for all councillors in regard to any roles that they may hold and that we have endeavoured to retain a degree of evidence to support those recommendations.

We feel that the remit given to the Panel has been to put forward an open and transparent Scheme of Allowances. The approved Scheme provides a clear indication of the available resources and potential impact of being an elected Member and office holder and how that may impact on an individual's circumstances. In undertaking an Interim Review, it is felt that the Scheme should remain as approved and a full review undertaken during 2018, in order to put forward a new 4-year Scheme to come into effect from May 2019 and inform prospective candidates who may be considering standing for election.

Finally, on a personal note I would also like to take this opportunity to thank my fellow members of the Panel and the officers involved for their valuable contributions to its work.

**Ken Childerhouse**

Chair

1 November 2017

## **1. The Context for the Interim Review and the Role of the Independent Remuneration Panel**

- 1.1 In reviewing its Members' Allowances Scheme, the Council is required to obtain the advice of its Independent Remuneration Panel, and to have regard to the Panel's recommendations.
- 1.2 The Panel has met 3 times during September and October and undertaken a 'light-touch' review of the Scheme of allowances. In order to be as consistent as possible with previous reviews, it has considered evidence from the Group Leaders and taken into account the latest South East Employer's Survey of allowances paid by local authorities.
- 1.3 The Panel maintains that the agreed set of principles which it considers should form the basis of any scheme adopted by the council:

### ***The Council's Objectives:***

- Provide appropriate support for people from all walks of life, enabling those with a wide range of skills and from different backgrounds to serve as councillors without financial disadvantage.
- Recognise the changing roles of elected members in their community councillor roles as well as in meetings, to ensure that changes to the democratic process are reflected and supported where possible.
- Incorporate into any scheme a voluntary service element which reflects the nature of the role and recognises the concept of civic duty.
- Recognise the significance of co-opted members in the operation of the authority.
- Provide role profiles for each of the positions set down in the Members' Allowances Scheme to support the recruitment and retention of councillors, to reinforce the aims of the council and to assist in future Independent Remuneration Panel reviews.
- Provide a sustainable travel scheme which encourages the use of bicycles and public transport throughout the city.
- Expect receipts/tickets to be attached to all claims submitted by both councillors and co-opted members to entitle the applicant to reimbursement.
- Approve a scheme which is open and transparent, which is available for public scrutiny and which meets audit requirements.
- Demonstrate value for money.

### ***Expectations:***

Councillors should:

- Recognise that there is a voluntary aspect to the role;
- Accept that where they are taking on significant additional responsibilities, these will require a full or near full-time commitment and that this may be detrimental to career activity;
- Consider maintaining a reasonable work/life balance when undertaking their council duties;

- Submit claims for travel or subsistence, child or dependent care within two months of attending an approved duty – any claims received outside that time limit to be paid at the discretion of the Monitoring Officer in exceptional circumstances only;
- Submit accurate claims in accordance with the Members' Allowances Scheme;
- Provide all appropriate documentation requested of them such as driving licence, birth certificate, insurance etc.

## **2. The following recommendations are put before the Full Council:**

- 2.1 The Panel recommends that no changes are made to the approved Scheme which was agreed in 2014 and came into effect from May 2015 as it is felt it should remain for the full-term of the Council i.e. until May 2019;

## **3. The Members Allowances Scheme**

- 3.1 The Panel believes that the council should provide a package of financial support which is reasonable, that it goes some way towards addressing the disincentives from serving in local politics, and that it does not disadvantage people from all walks of life who wish to enter the political arena in this way.
- 3.2 The Panel remains firmly of the view that all the allowances and expenses and any methodology applied must be open, transparent and accountable.
- 3.3 The Panel remain committed to support a move towards the better retention and support of as wide a cross-section of the community as possible if they wish to stand and remain as elected members. Hence the need to have an agreed Scheme that is set prior to taking up office and remains in place so that individual councillors are able to manage their financial commitments. In this respect, the Panel cannot support a change to the approved scheme of allowances as these would have been made clear to prospective candidates and then elected representatives, who will have based their decisions on the level of remuneration that would be available for their term of office.
- 3.4 It is hoped that the views we have expressed in this report demonstrate our belief that the proposed Scheme is reflective of the changing roles and responsibilities of all councillors and that appropriate recognition and support is provided to undertake public duty.

## **4. Financial Information**

- 4.1 The Members' Allowances budget for 2017/18 was set at £920,950 having been reduced by £33k in line with the budget decision in February. However, the current TBM forecast shows a potential overspend of £23,371 and the Panel have been informed that this can be met from within the overall budget for Strategy, Governance & Law for the current year.
- 4.2 The Panel are mindful that any reductions to the Members Allowances Scheme in the current year would now have a negative impact on councillors and

therefore in identifying the options in paragraph 5.2 have assumed that these would come into effect from April, 2018.

- 4.3 The specific options listed in paragraph 5.2. and how they impact on each of the special responsibility allowances and basic allowance are shown in the tables below (see appendices A and B):

## **5. Conclusion**

- 5.1 The Panel are of the firm view that the Members Allowances Scheme should remain in place as previously approved until 2019 and notes that it will undertake a full review during 2018; in order to make recommendations on a new scheme that would help to inform prospective candidates for the elections in May 2019.
- 5.2 Should the Council decide that the decision taken at the February Budget Council to reduce Members Allowances by £43k must be implemented; then the Panel has assumed this would be from April 2018 to prevent any hardship for Members in the current financial year. The Panel would also suggest that either of the options outlined below and detailed in appendices A and B to the report could be used to achieve the savings target:
- (i) a 19.46% pro-rata reduction across all the Special Responsibility Allowances, including the Mayor's Allowances be made; or
  - (ii) a 10% pro-rata reduction across all the Special Responsibility Allowances, including the Mayor's Allowances and a 3.3% reduction to the Basic Allowance.
- 5.3 The Panel would also refer Members to their previous full report which was approved by the Council in October 2014.



Take the entire £43K from Special Responsibility Allowances (including Mayor's allowances) to be shared pro-rata. The percentage reduction would be 19.46% of the current allowance. Indicative figures are shown on the table below.

		<b>Current SRAs £</b>	<b>New SRA £</b>	<b>Loss £</b>
<b>1</b>	<b>Leader of the Council</b>	31,512	25,380	6,132
<b>2</b>	<b>Deputy Leader of the Council</b>	22,058	17,766	4,292
	<b>Chairs of Policy Committees</b>			
	<i>Policy, Resources &amp; Growth</i>			
<b>3</b>	<b>Children, Young People &amp; Skills</b>	11,029	8,883	2,146
	<i>Environment, Transport &amp; Sustainability</i>			
<b>4</b>	<b>Housing &amp; New Homes</b>	11,029	8,883	2,146
<b>5</b>	<b>Neighbourhoods, Inclusion, Communities &amp; Equalities</b>	11,029	8,883	2,146
<b>6</b>	<b>Tourism, Development &amp; Culture</b>	11,029	8,883	2,146
<b>7</b>	<b>Health &amp; Wellbeing Board</b>	11,029	8,883	2,146
	<b>Chairs of Regulatory Committees</b>			
<b>8</b>	<b>Planning</b>	11,975	9,645	2,330
<b>9</b>	<b>Licensing (dual role)</b>	11,975	9,645	2,330
<b>10</b>	<b>Audit &amp; Standards</b>	6,302	5,076	1,226
<b>11</b>	<b>Health Overview &amp; Scrutiny</b>	6,302	5,076	1,226
	<b>Lead Member Roles:</b>			
<b>12</b>	<b>Adult Social Care</b>	9,454	7,614	1,840
<b>13</b>	<b>Mental Health</b>	2,206	1,777	426
	<i>Finance &amp; Resources</i>			
	<i>Private Rented Sector</i>			
	<i>Rough Sleepers</i>			
	<i>Schools</i>			
	<b>Deputy Chairs</b>			
<b>14</b>	<b>Policy, Resources &amp; Growth (Finance)</b>	9,454	7,614	1,840
	<i>Children, Young People &amp; Skills</i>			
<b>15</b>	<b>Environment, Transport &amp; Sustainability</b>	2,206	1,777	426
<b>16</b>	<b>Housing &amp; New Homes</b>	2,206	1,777	426
<b>17</b>	<b>Neighbourhoods, Inclusion, Communities &amp; Equalities</b>	2,206	1,777	426
	<i>Tourism, Development &amp; Culture</i>			
<b>18</b>	<b>Planning</b>	3,939	3,172	767
<b>19</b>	<b>Licensing (dual role)</b>	3,939	3,172	717
	<b>Opposition Leadership</b>			
<b>20</b>	<b>Leader of the Official Opposition</b>	11,029	8,883	2,146
<b>21</b>	<b>Deputy Leader of the Official Opposition</b>	6,302	5,076	1,226
	<b>Deputy Leader of the Official Opposition</b>			
<b>22</b>	<b>Convenor/Leader of Minority Groups</b>	6,302	5,076	1,226
		<b>204,512</b>		
	<b>Mayor's Allowance</b>	12,825	10,329	2,496
	<b>Deputy Mayor's Allowance</b>	3,590	2,891	699
		<b>220,927</b>		<b>42,992</b>

Those shown in italics are currently covered by "doubling up."

Reduce SRA and Mayor's allowance by 10 % and Basic Allowance by 3.3% (£7.50 per week.)

		<b>Current SRAs £</b>	<b>New SRA £</b>	<b>Loss £</b>
<b>1</b>	<b>Leader of the Council</b>	31,512	28,361	3,151
<b>2</b>	<b>Deputy Leader of the Council</b>	22,058	19,852	2,206
	<b>Chairs of Policy Committees</b>			
	<i>Policy, Resources &amp; Growth</i>			
<b>3</b>	<b>Children, Young People &amp; Skills</b>	11,029	9,926	1,103
	<i>Environment, Transport &amp; Sustainability</i>			
<b>4</b>	<b>Housing &amp; New Homes</b>	11,029	9,926	1,103
<b>5</b>	<b>Neighbourhoods, Inclusion, Communities &amp; Equalities</b>	11,029	9,926	1,103
<b>6</b>	<b>Tourism, Development &amp; Culture</b>	11,029	9,926	1,103
<b>7</b>	<b>Health &amp; Wellbeing Board</b>	11,029	9,926	1,103
	<b>Chairs of Regulatory Committees</b>			
<b>8</b>	<b>Planning</b>	11,975	10,778	1,198
<b>9</b>	<b>Licensing (dual role)</b>	11,975	10,778	1,198
<b>10</b>	<b>Audit &amp; Standards</b>	6,302	5,672	630
<b>11</b>	<b>Health Overview &amp; Scrutiny</b>	6,302	5,672	630
	<b>Lead Member Roles:</b>			
<b>12</b>	<b>Adult Social Care</b>	9,454	8,509	945
<b>13</b>	<b>Mental Health</b>	2,206	1985	221
	<i>Finance &amp; Resources</i>			
	<i>Private Rented Sector</i>			
	<i>Rough Sleepers</i>			
	<i>Schools</i>			
	<b>Deputy Chairs</b>			
<b>14</b>	<b>Policy, Resources &amp; Growth</b>	9,454	8,509	945
	<i>Children, Young People &amp; Skills</i>			
<b>15</b>	<b>Environment, Transport &amp; Sustainability</b>	2,206	1985	221
<b>16</b>	<b>Housing &amp; New Homes</b>	2,206	1985	221
<b>17</b>	<b>Neighbourhoods, Inclusion, Communities &amp; Equalities</b>	2,206	1985	221
	<i>Tourism Development &amp; Culture</i>			
<b>18</b>	<b>Planning</b>	3,939	3,545	394
<b>19</b>	<b>Licensing (dual role)</b>	3,939	3,545	394
	<b>Opposition Leadership</b>			
<b>20</b>	<b>Leader of the Official Opposition</b>	11,029	9,926	1,103
<b>21</b>	<b>Deputy Leader of the Official Opposition</b>	6,302	5,672	630
	<b>Deputy Leader of the Official Opposition</b>			
<b>22</b>	<b>Convenor/Leader of Minority Groups</b>	6,302	5,672	630
		<b>204,512</b>		
	<b>Mayor's Allowance</b>	12,825	11,543	1,283
	<b>Deputy Mayor's Allowance</b>	3,590	3,231	359
		<b>220,927</b>		
	Basic allowances x 54 (11,880x54=641,520)	<b>641,520</b>	<b>11,488</b>	<b>392</b>
		<b>862,447</b>		<b>43,263</b>

Those shown in italics are currently covered by "doubling up."

<b>Subject:</b>	<b>Q2 update against Corporate Key Performance Indicators 2017/18</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Chief Executive</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Richard Miles</b>	<b>Tel: 01273 29-2344</b>
	<b>Email:</b>	<b>Richard.Miles@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To report Q2 2017/18 performance progress for the period 1st April 2017 to 30<sup>th</sup> September 2017 in relation to Corporate Key Performance Indicators (KPIs).

**2. RECOMMENDATIONS:**

- 2.1 That the Committee review progress in relation to Corporate KPIs particularly corrective measures outlined for 'red' and 'amber' indicators and provide ongoing support and challenge to lead officers to bring performance back on track.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 There are two overarching documents:-

- **The City's Sustainable Community Strategy** – is owned by, and the responsibility of Brighton & Hove Strategic Partnership, known as Brighton & Hove Connected, and the City Management Board.
- **BHCC Corporate Plan (2015-2019)** – this sets out the councils Purpose, Principles and Priorities.

Note that progress towards delivery of the 2015-19 Corporate Plan outcomes is evidenced by delivery of the Corporate KPI set and supported through the successful delivery of the Directorate Plans.

- 3.2 This report is a key part of Business Planning and Management, one of the components of the council's Performance Management Framework (PMF). There are eight component parts of the PMF, as shown in this diagram:



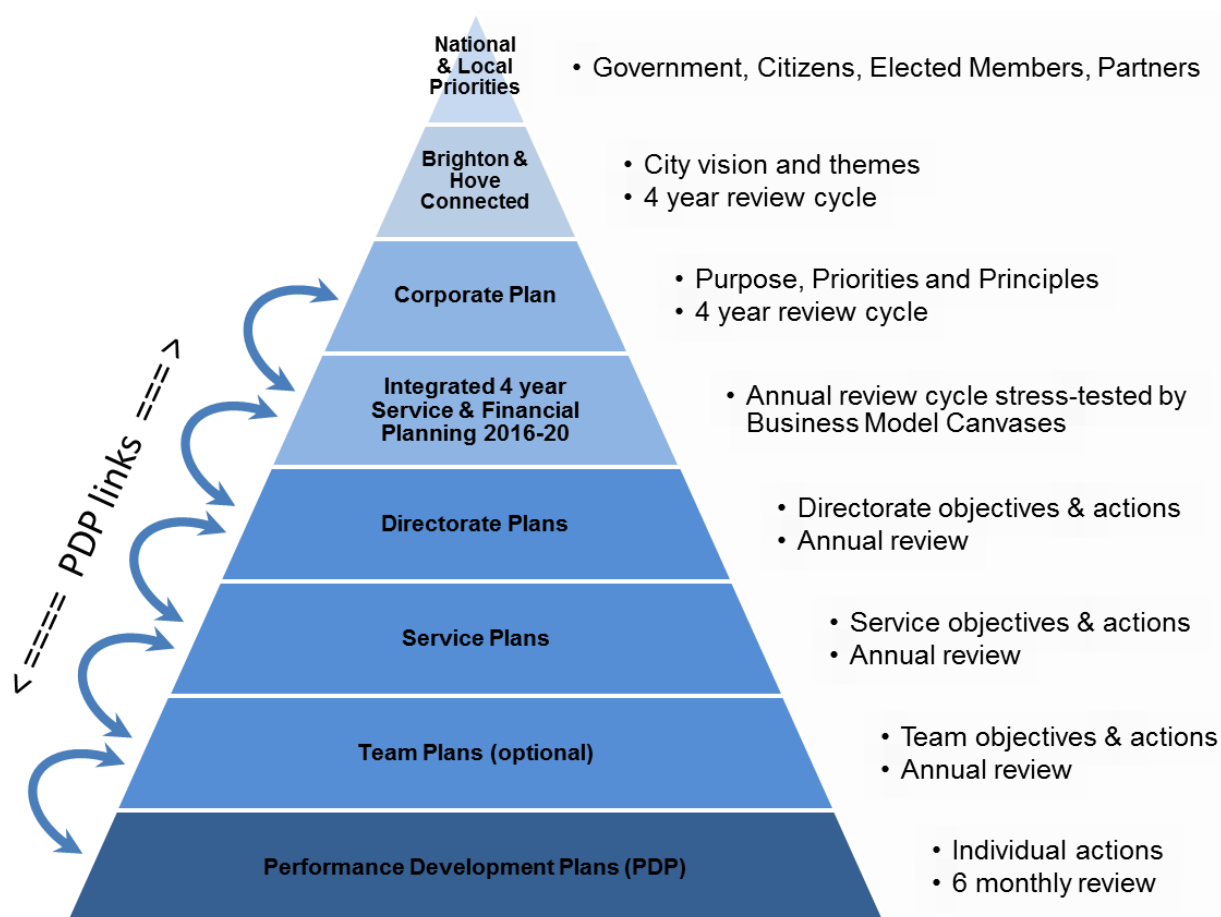
3.3 A summary of the 8 areas of the PMF is provided in the table below:

Component	Summary and Performance Management Approach
1 – Business planning and management	<ul style="list-style-type: none"> <li>Plans are set at various levels               <ul style="list-style-type: none"> <li>the partnership plan “Brighton and Hove connected”</li> <li>the council’s corporate plan</li> <li>directorate plans</li> <li>service plans.</li> </ul> </li> <li>ELT develop and agree a key indicator set mapped to these plans to track performance outcomes and receives quarterly performance update reports. Accountable Directors discuss corrective actions and ELT prioritises options.</li> <li>Performance reports are reviewed at P&amp;R twice a year</li> </ul>
2 – Risk management	<ul style="list-style-type: none"> <li>Through understanding risks, decision-makers will be better able to take actions to manage those risks and implement mitigating actions</li> <li>Strategic Risks are reviewed 6 monthly at ELT and reported to the Audit and Standards Committee throughout the year</li> <li>Citywide Risks are reviewed annually and managed by the relevant partnerships and feed into the Strategic Risk processes</li> </ul>

Component	Summary and Performance Management Approach
	<p>for council led risks</p> <ul style="list-style-type: none"> <li>Progress monitoring and reporting is managed through links to the directorate risk registers at DMT.</li> </ul>
3 – Financial management	<ul style="list-style-type: none"> <li>The efficient and effective management of council funds to accomplish the objectives of the council</li> <li>Monthly reviews of actual income and expenditure and comparing this with the allocated budget for each budget holder throughout the year (months 2 to 11) enables variances to be identified and corrective action taken where required.</li> <li>Corporate Critical budgets are identified and more detailed analysis and action planning is undertaken. Progress is reported to ELT monthly</li> </ul>
4 – Customer insight	<ul style="list-style-type: none"> <li>Understanding how our customers and citizens see our services gives us useful information on ways we can improve our performance to deliver value.</li> <li>The city tracker survey provides resident and user feedback on our services and analysis of our complaints, compliments and comments along with internal contact volumes contribute towards the annual customer insight report that is reviewed by ELT.</li> </ul>
5 – Modernisation, programmes and projects	<ul style="list-style-type: none"> <li>Modernisation is Council's Portfolio of change management programmes/projects which will support delivery of corporate purpose, principles and priorities. This in turn will help evidence achievement of outcomes in relation to Council's purpose.</li> <li>Corporate Modernisation Delivery Board - Sponsoring Group initiates and leads programmes and projects that are intended to achieve outcomes including cross-cutting programmes and projects. Chaired by the Chief Executive and consists of directors and other key officers of the council.</li> <li>Directorate Modernisation Boards report to the Corporate Modernisation Delivery Board, are set up to drive the programmes and projects forward and deliver outcomes and benefits.</li> <li>Programme and Project Boards report to the Directorate Modernisation Boards, these are responsible for planning, set-up and management of programmes and projects.</li> <li>All non-modernisation programmes/projects get led by and reported to the Directorate Management Teams (DMTs) and reported to the Executive Leadership Team (ELT) if/when appropriate</li> </ul>

Component	Summary and Performance Management Approach
6 – People management	<ul style="list-style-type: none"> <li>• People are our most important asset and resource, and good managers make best use of our people to deliver value to our customers</li> <li>• Elements of people management include               <ul style="list-style-type: none"> <li>○ Staff survey</li> <li>○ Our people data (workforce statistics)</li> <li>○ Workforce planning</li> <li>○ Organisational development</li> </ul> </li> <li>• Management across the council receive regular reports to enable them to effectively plan service delivery and identify and resolve skill gaps to enable delivery of the corporate plan</li> </ul>
7 – Health & safety management	<ul style="list-style-type: none"> <li>• Managing health and safety is about looking after our business, people and reputation</li> <li>• Health and Safety Committee chaired by the Chief Executive are responsible for the development of health and safety policy for the council, monitoring performance on health and safety issues and ensuring that changes to legislation or regulations are implemented effectively.</li> </ul>
8 – Safeguarding Quality assurance	<ul style="list-style-type: none"> <li>• Quality assurance includes safeguarding vulnerable people, by preventing mistakes and giving confidence that our processes are sound. Monitoring can be through safeguarding audits and quality assurance reports are reviewed quarterly by the relevant service at Service Management Team meetings. Local Safeguarding Children's Broad and Adult's Safeguarding Boards oversee quality assurance in relation to safeguarding.</li> <li>• Each directorate is responsible for the development and implementation of appropriate quality assurance monitoring and reporting for their directorate as appropriate.</li> </ul>

- 3.4 This report is concerned with component 1 – Business planning and management. The diagram below demonstrates the 'Golden Thread' that links the council's purpose, principles and priorities through to services delivered at the frontline of the council, and how external factors influence these.



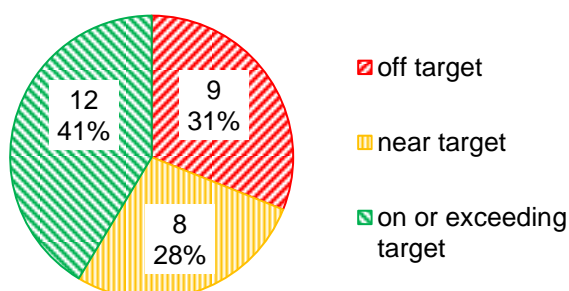
- 3.6 Key Performance Indicators are developed to evidence delivery of the Corporate Plan. The PDP process is intended to clarify individual staff contribution towards the achievement of the relevant Principles and Priorities within the Corporate Plan.

### **Performance Indicator Set**

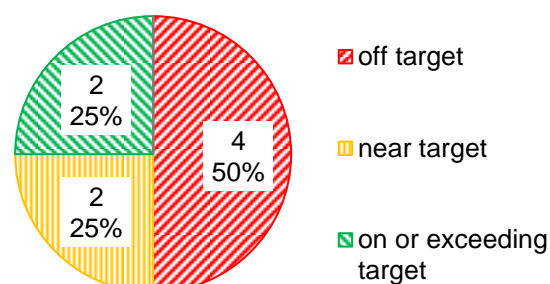
- 3.7 The list of Corporate KPIs and their targets for 2017-18 were set in July 2017 by PR&G. A consistent approach has been adopted across the organisation in relation to target setting taking account of comparative information.
- 3.8 The overall performance achieved during the year against target is assigned a rating of Red, Amber or Green depending how far from target the performance is.
- 3.9 Targets were set using the following criteria:
- To set the target, use the latest available benchmarking data (e.g. statistical neighbour data, national data or any other comparable data) or any statutory/contractual target, whichever is more challenging. It is important to explain why a particular set of benchmarking have been selected.
  - Where performance is already better than benchmarking/comparable data, set an improvement target. Setting a target which is below the current performance level would go against the principle of continuous improvement.
  - Where no benchmarking data is available; if a national or a contractual target is available, that needs to be used. In the absence of this, a sound rationale needs to be explained for developing a target figure e.g. improvement from the current performance.

- 3.10 A rigorous target setting approach has been used to give a clear appraisal of how the council is performing compared to previous years and other local authorities. Because of this approach it is predicted that achieving all the targets by the year end will be challenging.
- 3.11 The Corporate KPI set is made up of 75 indicators of which 35 are reported annually. Of the remaining 40 indicators 3 are trend indicators which do not have a RAG rating applied. Appendix 3 outlines the changes in 2017/18 corporate KPI set compared to 2016/17 corporate KPI set, as approved by PR&G Committee in July 2017.
- 3.12 The charts below show the proportion of indicators that were rated as Red, Amber and Green for Q2 2017/18. These show the KPIs that the council is responsible for and those which relate to wider issues in the city. Overall the results show 65% of the indicators where targets are set meeting or being within the agreed tolerance level (shown as green or amber below) half way through the year.

**Corporate KPIs - Council - Q2  
2017-18**



**Corporate KPIs - City - Q2  
2017-18**



KPIs - council	Red	Amber	Green	Trend
Economy Environment & Culture	3	4	1	
Families Children & Learning	1	3	4	
Finance & Resources	3	1		
Health & Adult Social Care	1		3	
Neighbourhoods Communities & Housing	1		2	
Strategy Governance & Law			2	3
<b>KPIs - city</b>				
Families Children & Learning		1	1	
Health & Adult Social Care		1	1	
Neighbourhoods Communities & Housing	4			
<b>Overall Total</b>	<b>13</b>	<b>10</b>	<b>14</b>	<b>3</b>

- 3.13 Directions of travel of the KPIs during April to September 2017 as shown in Appendix 1 and 2 are as follows: 24 results improving, 1 showing no change, 10 declining, 2 have new definitions in 2017/18, and 3 are trend KPIs.
- 3.14 Below are some highlights from directorates where there has been significant improvement and/or good performance against target for 2017/18. These are achieved through the combined effort of all staff throughout the organisation and from relevant partner organisations. Appendix 1 provides more information and context; the relevant page number in the Appendix is shown after each indicator.



- ✓ The percentage of household waste sent for reuse, recycling and composting (App. 1, page 2)
- ✓ The speed of determining Major planning applications (App. 1, page 5)
- ✓ % of schools are judged good or outstanding by Ofsted (App. 1, page 8)
- ✓ Number of children in care (App. 1, page 16)
- ✓ Permanent admissions to long term residential accommodation for older adults (App. 1, page 23)
- ✓ Housing tenants: Rent collected as % of rent due (App. 1, page 28)

3.15 Below are some highlights from directorates where performance improvement is required. Appendices 1 and 2 provide more information on these including a summary of performance so far, the context for that service and a short summary of proposed actions to improve performance. Effective performance management ensures the right actions are taken at the right time so that the council can achieve its purpose through delivering the principles and priorities

- Missed refuse and recycling collections (App. 1, pages 2 and 3)
- Number of children who were the subject of a child protection plan (App. 1, page 15)
- % of social care clients receiving direct payments (App. 1, page 24)
- % of Purchase Orders raised on ordering rather than when invoiced (App. 1, page 20)
- Number of violent crimes with injury (App. 2, page 5) Nitrogen Dioxide levels in Lewes Road and North Street ( $\mu\text{g}/\text{m}^3$  – micrograms per cubic meter) (App. 2, pages 6 and 7)

3.16 Direction of travel for each KPI is included in the Appendices. Each KPI is marked with 'improving', 'declining', or 'no change'. The method for determining each Direction of travel is as follows:

- Where the indicator was reported last year the assessment is based on if performance has improved or worsened over the period from Q2 2016/17 – Q2 2017-18
- Where the indicator is new in 2017/18 comparison is made from Q1-Q2 2017/18 if possible
- Where neither of these are possible it is noted as 'new in 2017/18'
- Trend indicators are shown as increasing or decreasing trend

3.17 Final results for three KPIs were not available at time of year-end performance reporting to PR&G in July 2017. Results and information for these are included in this report:

- Alcohol related hospital admissions (App. 2, page 4 )
- Percentage of bus services running on time (App. 2, page 10)
- Number of drug related deaths (App. 2, 11)

## **5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

5.1 Through consultation with ELT the Performance Management Framework currently in operation was deemed to be the most suitable model.

## **6. COMMUNITY ENGAGEMENT & CONSULTATION**

- 6.1 This is an internal performance reporting mechanism and as such no engagement or consultation has been undertaken in this regard.

## **7. CONCLUSION**

- 7.1 The council must ensure that it uses a robust Performance Management Framework to meet the challenges of delivering services in the financial context that local authorities are now working in.

## **8. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 8.1 There are no direct financial implications arising from this report

*Finance Officer Consulted: Peter Francis*

*Date: 30/10/17*

### Legal Implications:

- 8.2 There are no legal implications arising from the report

*Lawyer Consulted: Victoria Simpson*

*Date: 31/10/17*

### Equalities Implications:

- 8.3 An underlying principle of the Corporate Plan is that it focuses on the significant issues for the city, some of which are about tackling the inequality experienced by our residents.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Detailed KPI report for Q2 2017/18 – Council KPIs
2. Detailed KPI report for Q2 2017/18 – City KPIs
3. Changes between 2016/17 and 2017/18 Corporate KPI sets

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None




## **Brighton & Hove City Council**

### **Appendix 1: 2017-18 Council Corporate KPIs - Q2 results**

Period: Apr-17 - Sep-17

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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**2017-18 Economy Environment & Culture - Council (Corporate)**

<b>% of household waste sent for reuse, recycling and composting (3 month lag) [Corporate - council]</b>	<b>%</b>	<b>40.00</b>	<b>29.10</b>	 <b>AMBER</b> <b>Improving</b>
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**Position:**

Between Apr and Jun 17 (Q1) 29.1% of the household waste in the city was sent by the Authority for reuse, recycling, composting or anaerobic digestion.

This result is an increase of 2.46% compared to the same period last year (26.64%)

The 2016/17 quarterly reported results were:

Q1 - 26.64%, Q2 - 26.49%, Q3 - 25.27% and the full year 2016/17 result was 27.8%.

The target for 2017/18 has been set at 40% this was the 2015/16 APSE neighbour average of 11 authorities (Belfast City Council, Cardiff County Council, East Riding of Yorkshire Council, Gateshead MBC, North Tyneside Council, Nottingham City Council, Plymouth City Council, Sunderland City Council, Wigan MBC, Wirral MBC and ourselves).

The annual trend for the result is:

2010/11 = 27.7%

2011/12 = 28.1%

2012/13 = 26.8%

2013/14 = 25.8%

2014/15 = 25.2%

2015/16 = 24.6%

2016/17 = 27.8%

**Commentary:**

The garden waste scheme was launched in Q1 16/17 providing a citywide garden waste collection scheme. By Quarter 1 2017/18 6,600 households had signed up.

As the service has now been running for 1 year, renewal subscriptions are now taking place and the current renewal rate is at an encouraging level as can be seen in the current recycling rate 29.1%. We continue to educate, engage and enforce where appropriate to change the behaviour of individuals.


Wheeled bins for recycling have been delivered to 45,000 properties which should assist with increasing recycling rate.

Mobile CCTV cameras have been purchased, these are used in flytipping hotspot areas. In addition to this we have participated in a flytipping prevention campaign initiated by Keep Britain Tidy called 'Crime Not To Care' This initiative has led to an increase in the number of fixed penalty notices (FPNs) being issued for flytipping. We have issued over 5000 Fixed Penalty Notices (FPNs) of these 594 were for Fly Tipping. The income received from FPNs is reinvested in the service for litter prevention, dog fouling, graffiti and flytipping.

**Actions**

1. Some areas with a mix of different types of housing have not yet received the wheelie bins and we are taking more time to assess those areas to decide the best way forward (Head of Operations – Cityclean, ongoing)

2. Continue to market the garden waste service to increase participation with special emphasis in quarter 4 to coincide with the gardening season (Head of Operations – Cityclean, Mar 18)

<b>Missed refuse collections per 100,000 population [Corporate - council]</b>	<b>No.</b>	<b>46.00</b>	<b>62.00</b>	 <b>RED</b> <b>Improving</b>
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**Position:**

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
-----------	------	--------	--------	--------

Between Apr and Sep (Q2) 62 per 100,000 refuse collections were missed  
This is calculated as: Total Missed Collections/(Total Number of Expected Collections/100000).  
The result is the total for April to Sep (Q2) 2017/18 This is a significant improvement on BHCC 2015/16 performance.

The quarterly trend for this result is:

Apr to Jun 2016 = 90 per 100,000 compared to 96 per 100,000 in the same period in the previous year

Apr to Sep 2016 = 76 per 100,000 compared to 91

Apr to Dec 2016 = 63 per 100,000 compared to 82

Apr to Mar 2017 = 57 per 100,000 compared to 79

Apr to Jun 2017 = 40 per 100,000 compared to 90

Apr to Sep 2017 = 62 per 100,000 compared to 86

The target set at ASPE comparator group average of 46 per 100,000 data sourced from APSE 2015/16 family group report

Results before April 2015 are not available due to a change in how we measure this indicator.

Commentary:

The number of missed refuse bins for this quarter increased from 40 to 62 per 100,000 which is a reverse of trend on previous quarters dating back to April – June 2016, when the number of missed bins was at 90 per 100,000.

This increase is as a result of both operational and resourcing issues encountered in this period. A review is to be carried out to establish what additional measures need to be put in place to improve this service within current resources.

Work with the Digital First Programme is ongoing with the aim of improving the communication exchange between the operational team, customer services and management in terms of reporting non-collections.

Actions:

1. The number of missed bins will continue to be monitored and measures put in place to improve performance, including improving the performance data shared with crews. Corrective action is underway and will be monitored weekly to improve performance. (Head of Operations - Cityclean, Mar 18)
2. ICT requirements to be discussed with the Digital First team for operational missed collections (Head of City Environmental Services, March 2018)
3. Additional resources were agreed at October PR&G to support CityClean (Interim Assistant Director City Environment, April 2018)

**Missed recycling collections per 100,000 population [Corporate - council]**

**No.**

**46.00**

**131.00**



**Declining**

Position

Between Apr and Sep (Q2) 62 per 100,000 recycling collections were missed

This is calculated as: Total Missed Collections/(Total Number of Expected Collections/100000)

Target set at ASPE comparator group average of 46 data sourced from APSE 2015/16 family group report

Apr to Jun 2015 = 115 per 100,000

Apr to Sep 2015 = 105

Apr to Dec 2015 = 104

Apr to Mar 2016 = 105

Apr to Jun 2016 = 131

Apr to Sep 2016 = 116

Apr to Dec 2016 = 102

Apr to Mar 2017 = 81

Apr to Jun 2017 = 53

Apr to Sep 2017 = 131

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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#### Commentary:

The number of missed recycling bins for this quarter increased from 53 to 131 per 100,000 which is a reverse of trend on previous quarters dating back to April – June 2016, when the number of missed recycling bins was coincidentally also at 131 per 100,000.

This increase as in the case of refuse is due to both operational and resourcing issues encountered in this period. A review is to be carried out to establish what additional measures need to be put in place to improve this service within current resources.

To date the roll out of wheeled recycling bins has been carried out to 45,000 properties.

Work with the Digital First Programme is ongoing with the aim of improving the communication exchange between the operational team, customer services and management in terms of reporting non-collections.

#### Actions:

1. The number of missed bins will continue to be monitored and measures put in place to improve performance, including improving the performance data shared with crews. Corrective action is underway and will be monitored weekly to improve performance. (Head of Operations - Cityclean, Mar 18)
2. ICT requirements to be discussed with the Digital First team for operational missed collections (Head of City Environmental Services, March 2018)
3. Some areas with a mix of different types of housing have not yet received the wheelie bins and we are taking more time to assess those areas to decide the best way forward (Head of City Environmental Services, ongoing)
4. Additional resources were agreed at October PR&G to support CityClean (Interim Assistant Director City Environment, April 2018)

**% of streets inspected which are found to have widespread or heavy levels of litter [Corporate - council]**

**%**

**2.10**

**4.20**



**Improving**

#### Position:

Between July and September 4.2% of streets were not free from litter.

This indicator is the national measure 'Street and environmental cleanliness: Litter' and grades streets on the following scale:

- Grade A – no litter or refuse
- Grade B – predominantly free of litter and refuse except for some small items
- Grade C – widespread distribution of litter and refuse, with minor accumulations
- Grade D – heavily littered, with significant accumulations.

The indicator measures the percentage of streets which fall below Grade B. The lower the score the better the performance.

The quarterly trend for this result is:

April to June 2015 = 8.1%

July to Sept 2015 = 7.1%

Oct to Dec 2015 = 5.6%

Jan to Mar 2016 = 4.6%

Apr to Jun 2016 = 4.1%

July to Sept 2016 = 5%

Oct to Dec 2016 = 4.8%

Jan to Mar 2017 = 4.1%


Apr to Jun 2017 = 4.1%

Jul to Sep 2017 = 4.2%

The target has been set at the ASPE comparator group average of 2.16% data sourced from APSE 2015/16 family group report.

#### Commentary:

The level for quarter 2 is 4.2% which is 0.1% up on the previous quarter. This period does include increased footfall as a result of the influx of summer visitors.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
<p>Measures introduced such as the big belly bins continue to provide ongoing efficiencies with their compacting capabilities and electronic technology informing Street Cleansing operations when they are full.</p> <p>Education, engagement and enforcement measures are all used to bring about long term behavioural change on littering, fly tipping and fly posting.</p> <p>Since March 2016, we have issued over 5000 Fixed Penalty Notices of these 594 are for fly tipping making Brighton and Hove City Council one of the top performers for addressing this offence .</p> <p>Actions:</p> <ol style="list-style-type: none"> <li>1. Continue to monitor and take corrective action as required to improve performance (Head of Operations - Cityclean, ongoing)</li> <li>2. Carry out targeted activity to deal with known hot spots (Head of Operations - Cityclean, ongoing)</li> <li>3. Continue our work with partners to reduce levels of fly tipping, litter and detritus (Head of Operations - Cityclean, ongoing)</li> </ol>				
<b>The speed of determining applications for major development [Corporate - council]</b>	%	86.00	92.54	 GREEN Improving

**Position:**

This indicator measures the 24 month rolling result for the percentage of Major application types being processed within 13 weeks, or agreed time limit via a planning performance agreement (PPA) or extension of time (EOT).

The trend of the 24 month rolling result is a positive one as shown below:

Sep 15 = 68.8%  
Dec 15 = 73.0%  
Mar 16 = 79.4%  
Jun 16 = 82.0%  
Sep 16 = 85.7%  
Dec 16 = 91.5%  
Mar 17 = 91.1%  
Jun 17 = 92.06%  
Sep 17 = 92.54%

The target was set at 86% which is an improvement target on last year's performance as we were already better than the CIPFA comparator average of 83.4%.


The government minimum standard for the speed of determining applications for major development is 60%. Authorities performing below this are at risk of intervention from central government with applicants having the option of having decisions made by the Secretary of State.

**Commentary:**

The service has been consistently exceeding this target, both by determining applications within 13 weeks or by agreeing extensions of time or Planning Performance Agreements (PPAs) with applicants.

**Actions:**

- 1) Continue current working practices and agreeing extensions of time or Planning Performance Agreements (PPAs) with applicants (Planning Manager, ongoing)
- 2) Continue to monitor performance (Planning Manager, ongoing)

<b>The speed of determining applications for non-major development [Corporate - council]</b>	%	84.70	80.15	 AMBER Improving
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**Position:**

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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This indicator measures the 24 month rolling result for the percentage of Minor and Other application types being processed within 8 weeks, or agreed time limit via a planning performance agreement (PPA) or extension of time (EOT). Only applications for householder developments and change of use are included under Other applications.

The trend for the rolling 24 months is a positive one and is shown below:

Sep 15 = 50.8%  
 Dec 15 = 45.7%  
 Mar 16 = 47.2%  
 Jun 16 = 53.6%  
 Sep 16 = 60.5%  
 Dec 16 = 63.5%  
 Mar 17 = 68.3%  
 Jun 17 = 74.0%  
 Sep 17 = 80.15%

The target of 84.7% has been set using the average of our CIPFA nearest neighbours.

The government minimum standard for the speed of determining applications for non-major development is 70%.

Authorities performing below this are at risk of intervention from central government with applicants having the option of having decisions made by the Secretary of State.

Commentary:


At the end of the 24 rolling month, September 2017, the service achieved 80.15% for the determination of non-major applications. This exceeds the Government set target of 70%. At the end of September 2016, the service achieved 60.4%. Over the last year, the service has increased the percentage by 20% and exceeded the Government target by 10%. Whilst the performance is below the target of 84.70%, set at the average of comparator authorities, the performance is showing a much improved position compared to 2014/2015 where performance dipped considerably.

It is important that the benefits of the Business Process Improvement (BPI) are realised so that greater efficiencies in the processing of applications at all stages can help to maximise throughput to achieve the performance target. The service has recently stopped requesting extensions of time on refusals and we will monitor the impact of this. The service was fully staffed in September 2017, which has not been possible since the restructure of 2014. However, the service is reliant on four additional fixed term contracts which are only funded to the end of 2017/2018 financial year. Application numbers coming into the service suggest that the additional resource should be retained beyond this financial year to create a sustainable Development Management Service.

Actions:

- 1) Implement the findings of the Planning Advisory Service (PAS) review from March 2016; (Planning Manager Applications, Dec 17)
- 2) Continue to allocate to case officers sooner (Planning Manager Applications, ongoing)
- 3) Continue work and implement the findings of the Business Process Improvement (BPI) review to introduce efficiencies into the process; (Information Manager and Planning Manager Applications, Apr 18)
- 4) Look at introducing measures to improve staff retention and to seek retention of the fixed term contracts currently in post. (Planning Manager Applications, Jan 18)
- 5) Reduce reliance on agreeing Extensions of Time (EOT) by ensuring applications are allocated and processed in time (Planning Manager Applications, ongoing).
- 6) Ensure staff are working towards quantitative and qualitative measures identified in the Spring Performance Development Plans (PDPs), continual review in 121s and half yearly reviews which will ensure increased throughput of applications (Planning Manager Applications, ongoing)



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
% major planning application decisions that are overturned at appeal [Corporate - council]	%	1.80	4.35	 AMBER Improving

Position:

This indicator measures the 24 month rolling result for the percentage of the total number of decisions made by the authority on applications for major development that are then subsequently overturned at appeal, once nine months have elapsed following the end of the assessment period.

The nine months specified in the measure enables appeals to pass through the system and be decided for the majority of decisions on planning applications made during the assessment period.

The trend of the 24 month result is:

Sep 16 = 4.2%

Dec 16 = 4.1%

Mar 17 = 4.2%

Jun 17 = 4.6%

Sep 17 = 4.3%

The target is set at the average for our CIPFA comparator group at 1.80%

The government minimum standard (Designation threshold) for this KPI is 10%, we are well within this minimum. Authorities performing below this standard are at risk of designation which means intervention from central government with applicants having the option of having decisions made by the Secretary of State.


Commentary:

Performance on this indicator continues to exceed the Government minimum standard though falls below the average of our CIPFA comparator group.

The service recently introduced customer service standards, which includes feedback and offering the opportunity to amend applications. This coupled with an enhanced package of pre-application discussions will reduce the number of appeals.

Actions:

- 1) Continue to invest in pre-application discussions to ensure schemes are submitted which are likely to result in a favourable recommendation to reduce the number of appeals (Planning Manager, ongoing);
- 2) Implement the 'creating a positive planning service' strand of the Modernisation Programme which includes increasing efficiencies and measures to negotiate to reduce the number of refused schemes (Planning Manager, ongoing);
- 3) Monitor appeal decisions for trends to allow adaptation and flexibility in policy and decision making (Planning Manager, ongoing).

% non-major planning application decisions that are overturned at appeal [Corporate - council]	%	1.50	2.35	 AMBER Improving
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Position:

This indicator measures the 24 month rolling result for the percentage of the total number of decisions made by the authority on applications for non-major development that are then subsequently overturned at appeal, once nine months have elapsed following the end of the assessment period.

The nine months specified in the measure enables appeals to pass through the system and be decided for the majority of decisions on planning applications made during the assessment period.

The trend of the 24 month result is:

Sep 16 = 3.0%

Dec 16 = 3.0%

Mar 17 = 2.9%

Jun 17 = 2.6%

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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Sep 17 = 2.3%

The target is set at the average for our CIPFA comparator group at 1.50%

The government minimum standard (Designation threshold) for this KPI is 10%, we are well within this minimum. Authorities performing below this standard are at risk of designation which means intervention from central government with applicants having the option of having decisions made by the Secretary of State.

Commentary:


Performance on this indicator continues to exceed the Government minimum standard and shows a reduction in the percentage in the last quarter, although this performance level is below the average of our CIPFA comparator group.

The service has recently introduced customer service standards, which includes feedback and offering the opportunity to amend applications. This coupled with an enhanced package of pre-application discussions will reduce the number of appeals.

Actions:

- 1) Continue to invest in pre-application discussions to ensure schemes are submitted which are likely to result in a favourable recommendation to reduce the number of appeals (Planning Manager Applications, ongoing)
- 2) Implement the 'creating a positive planning service' strand of the Modernisation Programme which includes increasing efficiencies and measures to negotiate to reduce the number of refused schemes (Planning Manager Applications, ongoing)
- 3) monitor appeal decisions for trends to allow adaptation and flexibility in policy and decision making (Planning Manager Applications, ongoing)

#### 2017-18 Families Children & Learning - Council (Corporate)

% of schools that are judged good or outstanding by Ofsted [Corporate - council]	%	89.40	94.40	 GREEN
				Improving

Position

As at the end of September 2017, 94.4% of schools in Brighton and Hove were judged to be good or outstanding. Since the last quarter three schools were inspected. Judgements were the same for two schools and one school improved to 'good'. This reporting has been revised to exclude two independent and non-maintained special schools.

The quarter by quarter trend is:

Jul to Sep 2016 86.1%

Oct to Dec 2016 93.2%

Jan to Mar 2017 93.2%

Apr to Jun 2017 93.2%

The target was the percentage of schools in England judged to be good or outstanding as at the end of September 2017 which was 89.4% from information released by Ofsted. These figures exclude schools awaiting their first ever inspection and independent and non-maintained special schools, which Ofsted has a duty to inspect.

Below is a breakdown of the percentage of schools judged good or outstanding by phase and comparison figures for England as at the end of September 2017.

All schools: 94.4% (England 89.4%, statistical neighbours 89.3%)

Nursery Schools: 100% (England 99.5%)

Primary: 96.2% (England 90.7%)

Secondary: 80% (England 79.0%)

Special: 100% (England 94.1%)

Pupil Referral Units: 100% (England 88.1%)

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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Colleges: 100% (Please note this is not included in the overall figure.)

Non maintained special schools 100% (Please note this is not included in the overall figure.)

Below is a breakdown of the percentage of pupils in good or outstanding schools:

All schools: 88.5% (England 87.3%, statistical neighbours 87.9%)

Nursery Schools: 100% (England 99.7%)

Primary: 97.5% (England 90.5%)

Secondary: 73.3% (England 82.9%)

Special: 100% (England 94.2%)

Pupil Referral Units: 100% (England 83.5%)

Commentary:


The figure of the number of overall children is affected by the RI judgement for Cardinal Newman which is by far the largest secondary school in the city. Cardinal Newman's monitoring visit judged that the school and the LA are 'Taking effective action' to secure 'good' at the next inspection. There are no schools that are judged as inadequate in the city, although 2 schools would be highlighted as being vulnerable for this judgement at their next inspection. The Standards and Achievement Team are focusing on these and 6 primary schools which are vulnerable to downgrading. Longhill School is also vulnerable given the possibility of a third 'requires Improvement' judgement and the risk that this would result in academy conversion.

The high number of good and outstanding schools in the city is a reflection of the strong partnership working between the schools and between schools and the LA. Each school is categorised according to historic performance and a programme of intervention is devised to improve outcomes in each school. A new categorisation process has been established for primary schools and is in use to enable the identification of and interventions needed to address issues in a decisive and timely manner.

Actions:

1. A further development of the comprehensive programme of governor training will continue to enable governors to assume a more proactive role in the support and challenge of Head teachers, as required by the new September 2016 Ofsted Inspection Framework. (Head of Standards and Achievement, Governor Support Team, December 2017)

2. A new school improvement offer will target schools on the basis of their 2017 data and will ensure that a bespoke, evidence based and time limited intervention is implemented drawing on the expertise across other schools in the city. (Head of Standards and Achievement, October 2017)

<b>The average Attainment 8 score of all pupils attending state funded schools [Corporate - council]</b>	<b>No.</b>	<b>47.20</b>	<b>46.60</b>	 AMBER
				<b>New in 2017-18</b>

Position:

The Brighton and Hove Attainment 8 score was 46.6 for the 2016/17 academic year. National was 46.1, the statistical neighbour average 47.2 and the south east coastal strip average 44.7. Attainment 8 is a single number which represents average performance of all pupils across 8 GCSEs and equivalent qualifications at the end of secondary school, with extra weightings given to English, and Maths.

The target is to be higher than both the national benchmark and the average of Brighton and Hove's statistical neighbour authorities.

This result cannot be compared to previous years because new GCSEs in English and maths were sat for the first time in 2016/17 and graded 1 to 9, with 9 being the highest grade. Attainment 8 in 2016/17 is therefore calculated in a very different way to 2015/16. These results will be provisional until revised statistics are released in January 2018.

Comment:


INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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The percentage of pupils achieving a strong pass (grade 5 and above) in English and maths was 46.6% in the 2016/17 academic year. National was 42.4%, the statistical neighbour average 44.1% and the coastal strip average 39.9%. This indicator is part of the government's new headline measures for schools.

Performance in Brighton and Hove is good in terms of being above the national average. This is a reflection of the ongoing commitment to school improvement within the LA and across Brighton and Hove's Learning Partnership. Any schools where standard are low or pupils have 'below average' progress that carries statistical significance compared to national has a school improvement board. At this meeting there is challenge, and support is agreed and brokered. A communication strategy that included local and regional media was successfully implemented in the summer term. The aim was to be able to report accurately and meaningfully with parents and wider audiences about new GCSE measures.

#### Actions:

1. Data Team will provide detailed analysis of the 2017 data as more accurate data becomes available in the Autumn term on individual Schools. This will allow for a judgement on the success of interventions and will inform interventions moving forward. . (Head of Education Standards and Achievement, December 2017)
2. All Schools will have data reviewed with a school partnership adviser and actions will be agreed in partnership with the school as a result (Head of Education Standards and Achievement, December 2017)
3. Schools that have below average attainment will have a school improvement board meeting where standards are discussed and appropriate plans made (Head of Education Standards and Achievement, January 2018)

<b>% of all pupils attending state funded schools achieving the 'expected standard' in reading, writing and maths at the end of key stage 2 [Corporate - council]</b>	<b>%</b>	<b>61.00</b>	<b>63.00</b>	 <b>Improving</b>
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#### Position:

During the 2016/17 academic year, provisional published data shows that 63% of all pupils in Brighton and Hove achieved the expected standard in the reading test, writing teacher assessment and the maths test. This is an increase from 58% in the 2015/16 academic year.

This compares well against the provisional national figure (state-funded) of 61%, which itself was an increase against the previous year's national figure of 54%. The statistical neighbour local authority level data, published in the provisional KS2 Statistical First Release at the end of August, was also 61%.

This is the second year of the new key stage 2 tests in maths, reading and grammar, punctuation and spelling, to reflect the new primary curriculum, introduced in 2014.

The target is to be higher than both the national benchmark and the average of Brighton and Hove's statistical neighbour authorities.

Local KS1 to KS2 Brighton and Hove progress data:

Reading Progress +1.2 National 0.0

Writing Progress -0.2 National 0.0

Maths Progress -0.4 National 0.0

Most schools will have progress scores between -5 and +5. A progress score of 0 means that, on average, pupils achieved similar results at the end of KS2 to pupils in other schools with similar results at the end of KS1. A positive progress score means that, on average, pupils made more progress than pupils with similar results at the end of KS1, in other schools.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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#### Commentary:


Despite the significant increase in the national average, Brighton and Hove has remained above in terms of performance. The recalibration of the national average from last year has meant that the differential in performance is not likely to be as marked as for 2015/16.

The reading outcomes demonstrate this as an ongoing area of strength in the city. Maths remains an area of improvement.

The SPA model of categorisation support and challenge for primary schools as well as school improvement boards for higher support schools. School to school and national leaders of education also support improvements within Brighton Schools.

#### Actions:

1. A new streamlined system for categorisation is still to be fully implemented. This allows a more accurate and quicker method of identifying schools in need of support. (Head of Standards and Achievement, December 2017)
2. A bid will be submitted to the Strategic School Improvement Fund on behalf of 12 Brighton and Hove schools to improve their Maths outcomes. The LA has liaised with the TSAs in Brighton and Hove to design and implement the interventions for next term. (Head of Standards and Achievement, December 2017)
3. A new strategic group will meet in November 2017 and agree actions to support Maths across the authority (Head of Standards and Achievement, December 2017)

<b>% of eligible two year olds taking up early education places [Corporate - council]</b>	<b>%</b>	<b>84.00</b>	<b>84.40</b>	 <b>Declining</b>
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#### Position:

At the end of August 2017, 84.4% (715) two year old children had taken up Early Years Free Entitlement (EYFE) in Brighton & Hove, of the current Department for Education (DfE) total eligible number (847 - including those eligible who were LAC/adopted/disabled).

The target for 2017/18 has been set at 84%. This is maintaining the target from 2016/17, and is significantly above national, statistical neighbour and south east percentages. Legislative changes to childcare from 2017 may mean that there is fragility in the sector and so it would not have been appropriate to raise the target, despite having exceeded it in 2015/16.

#### Trend:

2014/15 – Q4 84.2%  
 2015/16 – Q4 88.7%  
 2016/17 – Q1 87.2%  
 2016/17 – Q2 88.1%  
 2016/17 – Q3 84.25%  
 2016/17 – Q4 89%  
 2017/18 – Q1 82.6%

The national average as of January 2017 was 71%, as was the south east average.

The DfE's most recently published data is from the January 2017 census. In Brighton & Hove 81% of eligible two year olds were taking up a free childcare place which put Brighton and Hove top of 19 local authorities in the south east and 30th of 152 local authorities in England.

The council's children's centre nurseries have been particularly successful in providing EYFE for two year olds; at August 2017 they provided for 131 children (18.3% of the total). In addition there were 66 children at other maintained settings.

Children have also been able to access provision at high quality settings. The January 2017 census shows 41% of two year olds in Brighton & Hove attending a setting rated outstanding, compared with 21% nationally and 22% in the south east.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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#### Commentary:


The data reported is based on the end of August 2017 as there will not be data for this term until later in the month. Take-up has increased from the last report in June but this is a normal pattern. It is hoped that there will be a further increase in take up in the next quarter's report because of the refocus of the work over the summer and during the autumn term.

Once Universal Credit starts in the city there will be difficulties with data as these families will not be included on the DWP list which is the take-up measure for the DfE.

The strategy with the Family Information Service has been reviewed and changes to staff roles should support delivery.

#### Actions:

1. Analyse headcount data from October 2017 to review take-up and see whether there are any impacts from 30 hours free childcare (Childcare Strategy Manager – Free Entitlement, Dec 17)
2. Investigate further, with the Family Information Service, reason why some families are not taking up places to which they are entitled, based upon headcount data from October 2017. (Childcare Strategy Manager – Free Entitlement, Dec 17)
3. Continue to work with partner agencies to promote and publicise the scheme, ensuring that impacts of 30 hours free childcare are minimised. (Childcare Strategy Manager – Free Entitlement, Dec 17)

<b>Number of families identified as part of the Stronger Families Stronger Communities programme who are 'turned around' (Phase 2) [Corporate - council]</b>	<b>No.</b>	<b>70.00</b>	<b>72.00</b>	 GREEN
				<b>Declining</b>

#### Position:

A payments by results claim was made in early July 2017 for 72 cases. This is just over one third of the annual target of 212 and as such the programme is on track. This is the first of three payment by results claims to be made this year, following the pattern of school terms.

The payment by results target is set locally. The target is to make successful claims for a minimum of 40% of the numbers of families engaged on the programme this year. The engagement target is set nationally and is 531 for Brighton & Hove in 2017/18.

The latest comparator result is from end March 2017 and is a cumulative figure of the number of families turned around to date. At that time Brighton & Hove had turned around 12.1% of the engagement target of the whole programme. The national average was 13.2%.


#### Commentary:

The programme is on track at this point in the year. The view the programme now has of social work cases within the Carefirst system has helped to increase the overall number of engaged families to the programme. Work continues to develop consistent and comprehensive recording of eligibility and outcomes in social work cases in order to meet the requirements of the Troubled Families programme and ensure any possible future claims are facilitated. The focus remains on ensuring there are sufficient numbers of engaged families to meet the Troubled Families target for engagement and to provide a broad enough base of work from which to make successful claims for payment by results income.

#### Actions:

1. Work with Public Health and the health visiting provider to resolve the barriers to sharing health visiting casework in order to open health visiting casework to the Stronger Families Stronger Communities eligibility and outcome tracking process. (SFSC Programme Manager, 30/01/17)
2. Explore the fit between Brighton & Hove Inclusion Support Service casework and the Stronger Families Stronger Communities programme in order to identify new areas of whole family working. (SFSC Programme Manager, 20/12/17)



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
The combined figure for the % of young people aged 16 – 17 who are Not in Education, Employment or Training (NEET) and the % of those whose NEET status is not known (Quarterly year to date excluding September and October) [Corporate - council]	%	4.70	4.90	 AMBER Improving

Position:

The current year to date combined figure for academic age 16 and 17 year olds not in education, employment and training (NEET) and for those whose status is not known is 4.9%.

- In Q2 (June 2017) this figure was 4.8%, 0.1% rise this quarter end
- In the same period September 2016 NEET & Not Known was 5.4%. A 0.5% improvement September 2017

The stand-alone Q2 result NEET & Not Known was 5.1%. 0.3% lower than same period 2016.

The annual target has been agreed as 4.7%, which aims to match 2016/17 performance.

The current position for combined NEET & Not Known young people age 16 & 17 is 5.1% compared to:

- South East = 8.6%
- England = 10.8%
- Statistical Neighbours = 12.2%

The DfE nationally reported statistics are an average based on Dec/Jan/Feb and BHCC for 2016/17 the combined NEET & Not Known percentage was 4.0%, a 0.4% improvement on year end 2015/16. BHCC compare very favourably to South East (6.4%) and England (6.0%) and statistical neighbours (5.8%).

The current position for NEET young people aged 16 & 17 is 3.8% compared to:

- South East = 2.6%
- England = 3.3%
- Statistical Neighbours = 3.8%

Performance for the previous quarter was 3.3% and the same point last year was 4.4%.

Young people age 16 & 17 whose current activity is 'Not Known' is 1.3%. This compares very well to:

- South East = 6.0%
- England = 7.5%
- Statistical Neighbours = 8.4%

Performance for the previous quarter was 1.4% and the same point last year was 3.4%. The comparatively low number of unknowns in BHCC is likely to drive up the actual figure for NEET, as more NEETs will be accounted for.

(Note: September and October are excluded from the year to date figure because they are not statistically accurate).

In real number terms there are currently an average of 155 NEET young people academic age 16-17, of which:

- 58 are academic age 16; 97 academic age 17.
- 26 (16.8%) are not available to the labour market (ie young carers, teenage parent, pregnancy, illness).
- 29 (18.7%) of the 16-17 year old NEET cohort are vulnerable young people (looked after children,

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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care leaver, supervised by YOS). 17 (11.0%) of the NEET cohort (academic age 16-17) are currently SEND.

#### Commentary:

An increase in NEET in July and August has led to performance being off track in Quarter 2 however this was expected and has been managed via YES. The number of NEET in July and August increased due to identification through September Guarantee follow up of 17 year olds with no offer of learning and/or no confirmed destination for September. All young people identified as NEET are contacted and offered the support of a YES adviser. Some young people choose not to access help and decline the service being offered, making it difficult to meet challenging performance targets.

Maintaining low unknowns is a challenge, young people move out of the area and cannot be located or they refuse to provide their current situation. Changes made by the DfE mean that local authorities cannot remove a young person from the Client Caseload Information System (CCIS) without first confirming with the new authority that the young person is registered on their CCIS. In cases where the forward address has not been provided, they remain on the last known resident authority CCIS and become situation unknown.

YES priority focus is to support 16 & 17 year old NEET and those who are not meeting the duty to participate (under RPA) and to encourage them into education, employment or training. YES is a voluntary service and young people are encouraged and supported to take up this offer.

YES offer transition support to Year 11 leavers who are identified as at risk of NEET. This early intervention supports NEET prevention.

The co-location of YES within Regency Road and Adolescent Services continues to provide a steady flow of referrals from YOS, RUOK and Adolescent Service. This co-location is working very well for both young people and professionals. A strengthening of links with the Virtual School and Leaving Care has resulted in an improved offer of support for looked after children and care leavers who are NEET, at risk of NEET or not meeting the duty to participate under RPA (16 & 17 yo). It has been agreed that YES will extend the offer of IAG support to care leavers (resident in Brighton & Hove) up to the age of 25 (in line with the SEND offer).

YES now offer Assessment and Qualifications Alliance (AQA) Unit Award accreditation to young people accessing support.

Local authorities have a statutory duty to report the numbers of young people with an offer of learning under the September Guarantee. To support this statutory duty YES follow up all 16 & 17 yo who have not been made an offer of learning (June – September) to offer Information Advice and Guidance (IAG) support as required.

September NEET/Not Known data is nationally accepted as statistically unreliable. This is due to young people in education on the 31st August becoming an 'unknown leaver' on 1st September. The situation remains as unknown until enrolment and tracking by YES is completed (deadline 30th November).

In October and November YES undertake the Annual Activity Survey and Post 16 Participation follow up/tracking to confirm the destination of all 16 & 17 yo. Robust tracking ensures we know what our young people are doing and this may see a rise in the number of young people identified as NEET. Delays and/or incomplete enrolment data from post 16 providers has impacted on the work of YES and has increased the volume of young people that the Service will need to contact directly as part of the Annual Activity Survey and Post 16 participation tracking.

October to December may see an increase in the number of NEET due to early leavers from full time education programmes. YES robust and established tracking processes of early leavers ensure timely and appropriate IAG support can be offered.

#### Actions:


1. All 16 & 17 year old NEET young people will be allocated a named YES adviser. These young people will be contacted and offered 1:1 IAG support within 7 working days of allocation. (Practice Manager, Performance Analyst, Oct 2017 – Dec 2017)

2. Continue to support the local authority to meet DfE statutory requirements:

Collect accurate, up to date and robust destination and participation data. (Oct – Dec 2017)



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
Annual Activity Survey Year 11 & 12 leavers tracking. (Performance Analyst, Sep – Nov 2017)				
Tracking and Post 16 Participation follow up. (Performance Analyst, Sep 2017 - Aug 2018)				
Early leaver follow up. (Performance Analyst, Sep 2017 – Jul 2018)				
Year 11 Intended Destinations. (Performance Analyst, Dec 2017 – May 2018)				
3. Monitoring and analysis of NEET joiners, including early leavers from learning (Year 12 & 13). (Performance Analyst, Oct 2017-Dec 2017)				

<b>Number of children who were the subject of a child protection plan [Corporate - council]</b>	<b>No.</b>	<b>263.00</b>	<b>372.00</b>	 <b>Improving</b>
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Position:

There are 372 children subject of a child protection plan as at 30th September 2017.

The quarter by quarter trend is:

Q3 2016/17 – 369

Q4 2016/17 – 367

Q1 2017/18 – 378

Q2 2017/18 - 372

The number of children subject of a child protection plan is down from 378 at 30th June 2017 and from 381 at 30th September 2016.

95 children became subject of a child protection plan in the last three months, down from 102 in the previous three months.

101 children ceased to be subject of a child protection plan in the last three months, up from 91 in the previous three months.

The target of 263 is based on the average for our 10 nearest authorities in terms of contextual factors based on Public Health analysis of deprivation, alcohol, drugs and mental health.

Figures from the South East Regional Benchmarking group show that the South East average rate per 10,000 children rose from 45.2 in Q1 2016/17 to 46.9 in Q1 2017/18.

9 children who were subject of a child protection plan at 30th September 2017 were also in care, down from 24 at 31st March 2017.

20 children subject of a child protection at 30th September 2017 had been subject of a child protection plan for two years or more. This represents 5.4% of all children subjection of child protection plan, above the national average of 2.1% at March 2016.

Of the 409 children who became subject of a child protection plan during the year ending 30th September 2017, 85 (20.8%) became subject of a child protection plan for a second or subsequent time, above the national average of 17.9%. 35 (8.6%) children became subject of a plan within two years of the previous plan ending, below the South East average of 10%.

The rate of children subject of a child protection plan per 10,000 children is 72.7 at 30th September 2017, above the England average of 43.1, statistical neighbour average of 45.3 and contextual neighbour average of 51.3. Brighton and Hove's rate of children subject of a child protection plan at 31st March 2016 was 76.5 and was ranked 10th highest out of 151 Local Authorities with published data, up from 25th highest last year.

20.7% of children subject of a child protection plan were not White British, down from 22.5% at 30th June 2017. 21% of children aged under 18 in Brighton and Hove were from a BME background at the time of the 2011 census.

The percentage of children with a category of emotional abuse has fallen from 53.8% at September 2016 to 46.8% at September 2017, although this remains above the national average of 38.3%.

The percentage of children with a category of neglect has risen from 28.1% at September 2016 to 41.4% at September 2017, although this remains below the national average of 44.9%.

The percentage with multiple categories has fallen from 11.5% at September 2016 to 6.7% at September 2017 but is still above the national average of 5.2%.

Below is a comparison of the age profile of children subject of a child protection plan compared with the 2015/16 national average:

- 2.4% are unborn compared to 2% nationally.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
• 13.2% are aged under 1 compared to 10.1% nationally.				
• 25.3% are aged between 1 and 4 compared to 27.3% nationally.				
• 28.5% are aged between 5 and 9 compared to 29.4% nationally.				
• 26.9% are aged between 10 and 15 compared to 27.4% nationally.				
• 3.8% are aged 16 and over compared to 3.7% nationally.				

#### Commentary:

The overall rate of children subject to a child protection plan remains higher than the target based on contextual nearest authorities and above the England average. The number is however on a downward trajectory, with a 7.9 % reduction since October 2015, with progress attributed to the implementation of the model of social work practice and a focus of the use of relationship to effect change and reduce risk in families. Work continues to ensure that the response to risk is proportionate but this needs to be done in a way that ensures children are kept safe. A dramatic reduction in child protection numbers over a short period of time would give cause for concern that risk is not being managed appropriately. This is particularly relevant in the current context of increasing numbers both regionally and nationally. The 372 children constitute 214 households. Over the last year, the numbers have moved from a low of 364 to a high of 388, with an average of 373. Whilst this brings Brighton and Hove into the higher rating of 151 local authorities, it does demonstrate a consistency in threshold and need, with no major changes despite an increase in the South East ratios per 10,000. It will be important to note whether there are any major deviations for this over the next months, with the introduction in Brighton and Hove of universal credit.

In this quarter, there remain fewer children who are subject to dual status, namely looked after and on a child protection plan, which is positive.

The predominant timescale for a child to be on a child protection plan remains 6 months to 1 year, with the age profile of children, being broadly in line with the national picture. The slightly higher number of unborn and 1, may be due to focus on early permanence planning and a move to start pre-birth assessment at an earlier stage, in line with recent case law recommendations.

Whilst there are a higher number of repeat or second time child protection plans than the national average, we are below the national average for repeat plan within 2 years, which may be due to a more robust step down plan.


Emotional abuse category has lowered with an increase in neglect, which is positive in that it is moving further towards the national trend. There are a much lower number of children on child protection plans under the category of sexual and physical harm.

There are a number of children who have been subject of a child protection plan for over 2 years and this needs to be looked at in detail to evaluate if there are themes of drift and delay in reducing risk.

#### Actions:

1. Head of Service for child protection and Reviewing Officer Manager to review all of the cases over two years to ensure there is sufficient planning and intervention to move to either step down, or a need for escalation. November 2017 Head of Service Child Protection.

2. To review young people on child protection plans who are 16+, to consider if this is an effective mechanism to safeguard, or whether it can be achieved with robust CIN plan and oversight from a Child Protection Reviewing Officer. Head of Service and Manager of CPRO's. November 2017.

<b>Number of children in care</b>	<b>No.</b>	<b>416.00</b>	<b>424.00</b>	
<b>[Corporate - council]</b>				<b>AMBER</b>

**Improving**

#### Position:

There are 424 children in care (CiC) at 30th September 2017.

The quarter by quarter trend is:

September 2016 - 453

December 2016 - 463

March 2017 - 456

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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June 2017 – 439

September 2017 – 424

The aim and target shown is to reduce children in care to 416, which is the average for our 10 nearest authorities in terms of contextual factors based on Public Health analysis of deprivation, alcohol, drugs and mental health. 416 Children in Care (CiC) equates to a rate per 10,000 of 81.

The peak CiC number since 2010 was 515 in November 2011 and the number is now at its lowest since May 2009. There are 39 Unaccompanied Asylum Seeking Children (UASC), unchanged from June 17 but an increase from 9 at March 2015. The percentage of CiC that are UASC is up from 7.9% at September 2016 to 9.2% at September 17. The number of CiC excluding UASC is down from 417 at September 2016 to 385 at September 2017 – a decrease of 32 children.

The CiC rate per 10,000 is 82.8 at September 2017, above the national and statistical neighbour average of 62 and 63 respectively and contextual neighbour average of 82 at 31st March 2017.

Brighton and Hove's CiC rate per 10,000 was 89 at 31st March 2017 and was ranked joint 29th highest out of 152 Local Authorities in England, up from 32nd highest last year. Figures from the South East Regional Benchmarking group show that the South East average rate per 10,000 children has risen from 55.1 in Quarter 1 2016/17 to 55.9 in Quarter 1 2017/18.

Nationally, the number of CiC at 31st March 2017 saw an increase of 3% compared to 31 March 2016 and an increase of 7% compared to 2013. If UASC are removed from the count of looked after children, the national increase in CLA between 2016 and 2017 is still maintained at 3%.

164 children became looked after during the year ending 30th September 2017, down from 214 during the previous 12 months.

- 18% of children becoming looked after during the year ending 30th September 2017 were aged under 1 compared to 22% in the previous 12 months.
- 20% were aged 1 to 4 compared to 11% in the previous 12 months.
- 16% were aged 5 to 9 compared to 15% in the previous 12 months.
- 28% were aged 10 to 15 compared to 32% in the previous 12 months.
- 18% were aged 16 and over compared to 20% in the previous months.

192 children ceased to be in care during the year ending 30th September 2017, down from 221 during the previous 12 months.

- 22.4% of children ceasing to be in care in the year ending 30th September 2017 returned to live with parents or relatives compared to 35.7% in the previous 12 months.
- 17% were adopted compared to 14% in the previous 12 months.
- 14.1% were subject to a Special Guardianship Order compared to 11.3% in the previous 12 months.
- 18.7% ceased care for any other reason compared to 23.1% in the previous 12 months (majority is young person reaches 18 and becomes a care leaver).

#### Commentary:

The numbers of children in care at 31st September 2017 is 424, shows a decrease of 15 children from June 17 figure of 439 and an over decrease of 29 children from Set 2016.

The current figure of 424 includes 37 Unaccompanied Asylum Seeking Children (UASC) unchanged from June 17, but the percentage of CiC that are UASC is up from 7.9% at September 2016 to 9.2% at September 17.

The number of CiC excluding UASC is down from 417 at September 2016 to 385 at September 2017 – a decrease of 32 children.

As set out above the aim and target shown is to reduce children in care to 416, and it is noted this has been achieved/ exceeded by 31 children if the UASC figures (which is driven by external factors beyond our control) are excluded.

Including the UASC numbers, to achieve the 416 target, we have to reduce by a further 8 children.

It is noted that the above declining trend is in the context of a national increase of 3% in Children In Care numbers. In addition, this is also in the context in a reduction (of 29) children who ceased to be in care during the year ending 30th September 2017, currently 192 but down from 221 during the previous 12 months. This positive declining trend is in line with the targets set out when the social work restructure into POD working from November 2015.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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Whist acknowledging the trajectory is currently reducing, challenges remain in sustaining this progress as follows:

- the context that South East Benchmarking reflects an increase in average rates of looked after children from 55.1 in Quarter 1 2016/17 to 55.9 in Quarter 1 2017. As noted above, nationally, the number of CIC at 31st March 2016 saw an increase of 3% therefore the projected trajectory nationally is of increasing CIC rates rather than decreasing.
- A significant factor in the number of Children in Care is that the number of children ceasing to be looked after has decreased in the last year – 192 children ceased to be in care during the year ending 30th September 2017, down from 221 during the previous 12 months.
- a further issue of significance is the age profile of the 186 newly looked after children in the past year where 16 % are aged 5 to 9 – this means that this age cohort are more likely to have a care plan of long term fostering and remain in care throughout their childhood . They are therefore less likely to leave the care system via adoption (younger children in the main are adopted) and or via rehabilitation to parents care or by reaching 18.
- The age breakdown of 28% were aged 10 to 15 and 18% were aged 16 and over continues to reflect significant cohort of older children becoming looked after reflecting national and local concerns about older children at risk of family breakdown due to issues such as risk of child sexual exploitation, missing episodes, substance misuse and youth offending.
- A further pressure is the ongoing high numbers of Unaccompanied Asylum Seeking children (UASC) 37 at October 2017: The percentage of CIC that are UASC is up from 7.9% at September 2016 to 9.2% at September 17 - this remains as a higher number of UASC's that have been the responsibility of Brighton & Hove since 2008 - reflecting the growing number fleeing war and persecution. It is likely in the ongoing political climate the numbers of UASC are likely to continue to grow.


Performance in this area needs to be considered within a national context of increasing care proceeding. There were 56 families in care proceedings at 30th September 2017, down from 70 at September 2016. Nationally the number of proceedings issued in 2016-17 was 14,500. This figure was 12,700 last year and 11,100 the year before. The last three months the rate has slowed but this is still a 30% increase over two years.

Children's Services Care Planning Panel is chaired by the Assistant Director and continues to oversee any admissions of children/young people into the care system, and continues to provide vigorous challenge to ensure that all other alternatives have been including placement with family members with support packages have been explored before agreeing to a child/young person becoming looked after.

Actions:

1. Children's Services Care Planning Panel to continue to review Admissions and Exit Planning for Children in Care to ensure that alternatives to care are vigorously explored where it is safe to do so. (Assistant Director Children's Health Safeguarding & Care, Review – Jan 2018)
2. Progress the development of the Adolescent Service (Assistant Director Children's Health Safeguarding & Care, Review – Jan 2018)

#### 2017-18 Finance & Resources - Council (Corporate)

<b>Organisational result: % of high and medium priority audit recommendations (that have passed their agreed implementation deadline) that have been implemented [Corporate - council]</b>	<b>%</b>	<b>90.00</b>	<b>82.50</b>	 RED
				<b>Improving</b>

Position:

Between July and September 82.5% of high and medium priority audit recommendations (that have passed their agreed implementation deadline) have been implemented.

The quarter by quarter trend is:

Apr to Jun 16 = 75%

Jul to Sep 16 = 77%

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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Oct to Dec 16 = 81.6%

Jan to Mar 17 = 90.3%

Apr to Jun 17 = 86.2%

Jul to Sep 17 = 82.5%

The result for the period July to September (Q2) was 82.5%. This compares to 77% for the same period last year.

This indicator shows the percentage of medium and high priority audit recommendations for the council that have reached their due date and have been implemented. The data is based on updates from those responsible for implementing recommendations setting out what has been done. The indicator provides evidence about the extent to which the council is maintaining a strong control environment. As there is no benchmark, the target was set as an improvement target on the previous years result of 90.3%.

#### Commentary:

Quarter 2 performance has deteriorated compared with quarter 1 and is below the corporate target of 90%. The largest numbers of overdue actions are in Finance and Resources, but it should be noted that this is the Directorate where the largest number of audits are undertaken, and therefore where there is the largest number of audit recommendations.

The statistic is based on a 12 month rolling period. Where audits have not been implemented within 12 months of the agreed implementation date these will be individually reviewed by the Head of IA and Audit Manager who will determine whether the recommendation and related risk are still relevant.

Where necessary these recommendations will be escalated to ELT and potentially Audit and Standards Committee after consultation with the relevant Executive Director.

#### Actions:

1. Recommendation owners, heads of services and executive directors to be reminded to review and update their recommendations on the internal audit Sharepoint site. (Head of Internal Audit/ Audit Manager, December 2017)
2. Directorate level performance information is compiled and distributed to each DMT (Audit Manager, ongoing)
3. Where particular managers have a high number of recommendations that are not implemented the responsible manager may be invited to attend the Audit & Standards Committee. (Audit Manager, when required/ quarterly)

**% of invoices for commercial goods and services that were paid within 30 days [Corporate - council]**

%

95.50

94.35



**Declining**

#### Position:

Between April and September 94.35% of invoices for commercial goods and services were paid within 30 days.

The quarter by quarter trend is:

Apr to Jun 16 = 95.11%

Apr to Sep 16 = 95.08%

Apr to Dec 16 = 95.32%

Apr to Mar 17 = 95.25%

Apr to Jun 17 = 94.58%

Apr to Sep 17 = 94.35%

The result for the period July to September (Q2) was 94.11%. This compares with 94.58% for Q1 and 95.06% for the same period last year.

This measure/target is in response to the government's drive to improve the speed of payments across the whole of the public sector. The principle is about ensuring that suppliers' cash flows and viability are not impacted by slow payment processes. We aim to pay suppliers within 30 days of receiving the invoice, and have a target of 95.5%. This target is considered achievable when compared to CIPFA comparative information which shows the 2015 performance for invoices paid within 30 days as an



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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average of 93% for benchmarking authorities. Key to meeting the target of 95.5% is high compliance with the use of the purchase order system which makes processing invoices quick and efficient.

#### Commentary:


The service has also been operating at a reduced capacity level in the first half of 2017/18 due to vacancies which has had a negative impact on performance. Although vacancies have been recruited to, the recent staff turnover has had an impact on the team's performance. This is mainly due to the advanced level of work authorisation being required for the new members of the team during a settling in period, and staff time required for training new members of the team. It is difficult to assess whether the performance levels will increase in the 3rd quarter as another experienced member of the team has left recently.

The challenges facing the creditors service are:

1. Maintaining a high performance level whilst training new members of the team.
2. Continuing to maintain the level of performance with reducing staff resources.
3. Invoices are initially received and processed by individual services therefore the invoice processing performance is not wholly in the control of the creditors service.
4. Processing Social Care Provider payments following the decision not to implement Adam has proved challenging.
5. A high volume of invoices are already overdue at the point they are received by the creditors service.

#### Actions:

1. To continue to train new staff to work to a high standard to be able to meet the council's performance indicators. In addition to this, other team members are gradually being trained across all areas of the teams' work to enable staff to be able to process in different areas to manage peaks in different work areas. (Head of Central Financial Services, ongoing).
2. Further reporting to be carried out to enable targeted communication and guidance to service areas struggling most to comply with the Purchase Ordering process. (Head of Central Financial Services, ongoing).
3. To continue to review process across the whole team to develop automation in processing as much as possible to reduce processing time, freeing staff time to enforce non-compliance of purchasing processes. (Head of Central Financial Services, ongoing).
4. Continue to work with suppliers to ensure they do not invoice the council without a valid Purchase Order number. (Head of Central Financial Services, ongoing).

<b>% of Purchase Orders raised on ordering rather than when invoiced</b>	<b>%</b>	<b>80.00</b>	<b>46.42</b>	 RED
<b>[Corporate - council]</b>				<b>Improving</b>

#### Position:

Between April and September 2017 46.42% of purchase orders were raised on ordering rather than when invoiced.

The quarter by quarter trend is:

- Apr to Jun 16 = 48.32%
- Apr to Sept 16 = 45.77%
- Apr to Dec 16 = 45.74%
- Apr to Mar 17 = 47.17%
- Apr to Jun 17 = 46.31%
- Apr to Sept 17 = 46.42%

The position from quarter 1 to quarter 2 shows a very slight improvement (46.31% compliance at Qtr 1 compared with 46.54% compliance at Qtr 2). This compares with 44.9% for Qtr 2 last year.

There is no benchmark for this indicator but the challenging and necessary 80% target was set to improve compliance with the process known as Purchase to Pay. Purchase to Pay means raising an electronic purchase order and sending this to the supplier who then quotes this order when they

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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eventually send their invoice for the goods or services. Compliance is important for a wide range of reasons including:

- it improves commitment accounting and therefore the quality of financial forecasts across the council;
- it helps to speed up the process of paying invoices by being able to automatically match invoices to purchase orders - this helps to meet government Prompt Payment guidelines and avoid late payment penalties;
- it provides qualitative and quantitative management information concerning purchasing activity and enables monitoring of compliance with Contract Standing Orders and purchasing behaviours (e.g. on or off contract activity).

All budget managers are provided with monthly reports highlighting non-compliant purchases (invoices) known as 'retrospective orders'.

#### Commentary:

Of the 7,592 orders raised in Q2, 3,533 were raised in compliance i.e. 46.54% compared to the target of 80%. ELT and DMTs wish to see significant improvement in compliance for the reasons stated above. Improving compliance will take time and effort as the wide range of procurement practices deployed across the council require different responses and solutions ranging from training financial administrators with under-developed skills to finding solutions for complex call-off purchasing arrangements without creating an inefficient and onerous administrative burden.

Primary focus is now on the integration of a new Contract Management Module with financial system data as this has the best prospect of improving compliance. Once implemented, managers will effectively be required to authorise (as an additional step compared to current processes) purchasing that is 'off contract'. This will therefore alert managers at the requisitioning stage not only of poor procurement practice but will also indicate that the requisition has only been processed on receipt of an invoice i.e. an attempt to reject the request (which should have been raised at the point of ordering not invoicing) will require a discussion with the requisitioner as to why it can't be rejected. Over time, it will therefore improve compliance.

#### Actions:

- RAG rated reporting to ELT/CMT members to raise the profile of non-compliance (Deputy Chief Finance Officer, Oct 2017).
- Critically, implementation of the Civica Contract Module (business case approved by CMDDB) which enables non-compliance to be detected easily and provides effective MI and exception reporting. This is now in the process of being set up (Head of Financial Systems/Procurement Strategy Manager, Nov 2017).
- Continuing to identify high volume non-compliant areas from available data (Procurement Strategy Manager, ongoing);
- Developing a communication and guidance campaign for a wider audience to continue to promote increased compliance (Procurement Category Mgr/Principal Acc't FIS, Oct 2017).
- Continuing to work on a daily basis with suppliers to ensure they do not invoice the council without a valid Purchase Order number (Head of Business Operations, Ongoing)

**Average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools) [Corporate - council]**

**No.**

**4.86**

**5.04**



**Improving**

#### Position:

Between April and September the average number of working days / shifts lost per Full Time Equivalent (FTE) due to sickness absence was 5.04 days compared with 5.27 days for the same period last year (not including schools).

The quarter by quarter trend (days) is:

Apr to Jun 16 = 2.67

Jul to Sep 16 = 2.6

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
Oct to Dec 16 = 2.72				
Jan to Mar 17 = 2.6				
Apr to Mar 17 = 10.59				
Apr to Jun 17 = 2.41				
Jul to Sep 17 = 2.63				
The result for the period July to September (Q2) was 2.63 days. This compares to 2.6 days for the same period last year.				
From Q1 2015/16, the target was changed to benchmark it against the CIPFA HR Benchmarking Club. The target was reduced from 10 days to 9.7 days (just over 2.4 per quarter). The target for 2017/18 has remained the same as 2016/17 target in order to monitor progress.				
The projected year end outturn is currently 10.72 days, which would exceed the target and be an Amber RAG rating.				

#### Commentary

- Stress/Mental Health continues to be the biggest cause of days lost with 29.53% of the days lost in Q2 attributed to stress/ mental health, this is lower than in Q1 (17/18) – 33.15% and lower than in Q4 29.47%. All other reasons (26.75%) and musculoskeletal conditions (17.58%) were also significant contributors to the number of days lost during this quarter.
- The organisation is going through a high level of change and is currently in Year 2 of the 4 year budget planning process. This high level of change could be contributing to current levels of absence, particularly the level of stress related absence.
- HROD has rolled out a team resilience checklist to help manage stress within teams.
- Guidance has been reviewed to help managers spot potential stress related/mental health absences and to support managers manage absence due to stress / mental health. Managers are encouraged to undertake OH referrals in these cases from day one of the employee's absence.
- The automated emails managers receive from PIER once employees have been absent for more than 7 days have been reviewed to ensure they contain as much signposting information and guidance for managers as possible.
- HR advisory services have been conducting sickness surgeries in certain areas e.g. Cityclean, Nurseries and Housing , this approach has proved to be successful in ensuring that managers are dealing with long-term sickness absence in accordance with the council's Attendance Management Procedure.
- The next Data Insight reports are due out in November 2017, which includes absence data. These reports will further raise the profile of the importance of managing absence and enable managers to be accountable for improving sickness rates in their teams. ELT agreed that this data set should be produced twice yearly in order to support performance management.
- HROD are in the process of implementing a nurse led sickness reporting service together with an attendance management system through a company called FirstCare. This service and system will go live on the 1st December 2017. We are aware that the reporting of sickness absence may increase as a result of the implementation of FirstCare and so this may impact on our levels of sickness absence across the Council initially, before any reductions in sickness absence levels can be achieved.


#### Actions:

1. The sickness project has reviewed the role of sickness leads to ensure consistent support is received across the organisation in terms of managing absence and practice is reviewed at monthly sickness project group meetings. (HR Business Partner for Health & Adult Social Care Action, ongoing).
2. Following approval at PR&G on the 4th May 2017, HR&OD are working on the implementation of a nurse led sickness reporting service together with a new attendance management system (i.e. FirstCare), which will go live on the 1st December 2017. (HR Business Partner for Health & Adult Social Care, December 2017).
3. The Attendance Management Procedure is being reviewed and a new Attendance Support Policy and Toolkit is being drafted in consultation with the trade unions. HR&OD are aiming for the new policy and toolkit to be ready for implementation in the new year. (HR Business Partner for Health & Adult Social Care, April 2018).
4. All of the above actions feed into the work that has started on the Well-being agenda (including the



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
establishment of the Well-being Steering Group) for our staff, which is being driven through the Executive Director of Finance & Resources and health and safety colleagues. (Head of Health & Safety, April 2018).				

#### 2017-18 Health & Adult Social Care - Council (Corporate)

<b>Permanent admissions of older adults (65+) to residential and nursing care homes per 100,000 population [Corporate - council]</b>	<b>No.</b>	<b>358.07</b>	<b>338.54</b>	 <b>Improving</b>
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#### Position:

This Performance Indicator (PI) measures the number of older adults (65+) permanently admitted to long term residential or nursing accommodation expressed as a rate per 100,000 population. Between April 2017 and August 2017 there have been 130 admissions of older adults (65+) to residential care homes.

2017/18

Apr 2017: 26

May 2017: 29

Jun 2017: 30

Jul 2017: 25

Aug 2017: 20

Total: 130

The Performance Indicator (PI) is expressed per 100,000 population.

65+ Population is 38,400

April - August PI Value: 338.54

Projected year end PI Value: 703.13 (270 admissions)

2017/18 Target: 651.04 (250 admissions)

2016/17 PI Value: 717.01 (273 new admissions for over 65s)

2015/16 PI Value: 793.16 (295 new admissions for over 65s)

#### Comparative Data:

2014/15 National PI Value: 658.5

2015/16 National PI Value: 628.2

#### Demographic breakdown of admissions:

Age Groups: 10 admissions 65-74 year olds (7.69%), 39 admissions 75-84 year olds (30%), 81 admissions for 85+ year olds (62.31%).

Genders: 93 Females (71.54%), 35 Males (26.92%).

Primary Support Reasons: 47 Memory and Cognition Support (36.15%), 4 Physical Support Access & mobility only (3.08%), 78 Physical Support for Personal care (60%).

#### Commentary:

There are a number of initiatives and developments to maintain older adults in the community:

- Joint working of the Integrated Primary Care Teams
- Aligning social work staff with GP Clusters
- Provision of Short Term Services to maximise independence and reduce number of admissions to residential care.
- The continued collaboration of health and social care services under Caring Together will enable us to create more effective preventative services, early intervention and sources of support that seek to challenge the reliance on formal social care services and promote an asset based approach drawing in resources from wider communities and partner organisations.
- Development of Homefirst scheme to enable more effective discharge from inpatient care and ensure that people are assessed in their home environment and given the optimum opportunity to rehabilitate and stabilise – essentially reducing the need for intensive care services / residential or


INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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nursing care.

There is an impact on older adult admission figures from people who have been receiving Continuing Health Care funding being deemed no longer eligible and therefore becoming the responsibility of Adult Social Care. There is also a significant impact on funded admission figures from people who have previously self-funded their own placement whose funds have depleted below the capital limits for social care funding.

Actions:

1. Continue to rollout Homefirst approach for Brighton and Hove patients across all wards at the Royal Sussex County Hospital. (Assistant Director – Adult Social Care. Rollout October –January 2018.)
2. Early discussions with the CCG on integrating Continuing Health Care processes with a view to pooling resources and budget. Initial meeting September 2017. Further consideration at Caring Together Finance and Performance Board 31 October 2017. (Assistant Director – Adult Social Care. Oct 17)
3. Increased capacity in extra care housing – the new development of Brookmead will provide extra care housing support to people with dementia, providing a potential alternative / delayed admission to residential care. Due to open in October 2017 (Assistant Director – Adult Social Care. Oct 17)
4. New housing allocation policy now in place providing increased priority for Adult Social Care clients. This will enable more housing options to be available to those with care needs as an alternative to residential care. Process to monitor effectiveness of policy and take up to be developed October 2017. (Assistant Director – Adult Social Care. Oct 17)

<b>% of social care clients receiving Direct Payments [Corporate - council]</b>	<b>%</b>	<b>27.00</b>	<b>23.24</b>	 RED
				<b>Improving</b>

Position:

Percentage of people using social care receiving Direct Payments

Between April and August 2017 the percentage of people using social care in receipt of Direct Payments is 23.24%

2017/18 Q2: 23.24%

Clients receiving Direct Payments: 549

Clients in receipt of long term community based services: 2362

2017/18 Target is 27%

The Q2 figure represents a slight increase from the previous quarter:

Apr to Jun 2017 =23.14%

Apr to Aug 2017 =23.24%

2016/17 25.09% (589 Direct Payment recipients)

2015/16 21.41% (529 Direct Payments recipients)

2014/15 19.62% (504 Direct Payments recipients)

2015/16 (latest available) comparator group average is 26.8%

2015/16 National (All England) PI figure is 28.1%

Demographic breakdown

Gender: 323 of clients are Female (58.83%), 226 of clients are males (41.17%).

Age Bands: 440 clients are between 18-64 (80.15%) and 109 clients are 65 and over (19.85%)

Ethnicity: 470 clients are White (85.61%), 17 clients are Asian or Asian British (3.10%), 12 clients are Black or Black British (2.19%), 18 clients are Mixed (3.28%), 24 clients are from Other Ethnic Groups (4.37%) and 8 clients are Not Stated (1.46%).

Commentary:

The council is working with Possibility People, our local user led organisation to both improve information about Self Directed Support. With the help of the local Direct Payment stakeholders group we aim to improve communication about Direct Payments to improve uptake. This work is underway and is ongoing.

Training for front line managers and staff specifically around Self-Directed has been delivered and will

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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now be available for new staff. This is as a result of the Care Act 2014 and feedback from other training associated with the Act that staff have participated in. We include an overview of direct payments as part of our 3 day Assessment Pathway training programme, which is mandatory for staff that are carrying out Care Act assessments.

The council has now launched a pre-paid card option for those choosing direct payments, which enables people to use this in the same way as other pre-paid cards. We presently have 141 people using pre-paid cards and every new person wishing to use direct payments are given the opportunity of using this easy and straight forward way.

We are presently retendering for the Direct Payment Support contract and will be keen to have stronger measures of success and performance embedded within the contract to enable us to more closely track performance and hold the provider to account. The tender process is progressing in the form of Lots for Advice & Guidance, Supported Bank Accounts and Payroll Support Services. Advice & Guidance will be commissioned with a single provider but the intention is to build a framework of Providers for the financial aspects of the service encouraging a competitive process and the opportunity to extend the choice principle for potential DP users. The process is involving present DP users via surveys and focus groups as part of the process to try and get a service that is right and relevant and delivers from a customer point of view New Contract to commence April 2018

#### Actions:

1. Retendering for the Direct Payment Support contract in the form of Lots for Advice & Guidance, Supported Bank Accounts and Payroll Support Services (General Manager Adult Social Care, Apr 18)
2. Develop reporting mechanism for uptake of prepaid cards (Assistant Director Adult Social Care, Oct 17)
3. Continue to deliver an overview of direct payments as part of our day Assessment Pathway training
4. Launch of the revised scheme of delegation which will encourage social workers to have more opportunities to practice as well as having more control of the monetary aspects which should result in more creative solutions for people including Direct Payment options (General Manager Adult Social Care, Dec 17)
5. Trusted Assessments in place to undertake programme of targeted reviews (Assistant Director Adult Social Care, Apr 18)

**Number of delayed transfers of care attributable to social care per 100,000 population [Corporate - council]**

**No.**

**2.72**

**2.61**

  
GREEN  
**Improving**

#### Position:

Reporting is for the period to Apr 17 to Aug 17 as the data is reported nationally by NHS Digital and is lagged by 1 month.

The average number of monthly delayed days attributable to Social Care per day per 100,000 population is 2.61 (Figure for Apr 17 - Aug 17).

Proposed Q2 target is 2.72, proposed 2017/18 target is 2.44 (awaiting National confirmation of proposed NHS/Social Care splits).

There were 950 total delayed days between Apr 17 - Aug 2017, of which 480 (50.53%) were in acute care and 470 (49.47%) in non-acute care.

2016/17 Brighton & Hove PI Figure: 3.53 (recalculated)

2016/17 National average PI: 4.91(recalculated)

#### Commentary:

As of the end of Aug 17, performance against this indicator is good with a PI of 2.61 which is below the proposed quarter 2 target of 2.72.

The proportion of delays attributable to Social Care is significantly lower than the national average for the period Apr 17 – Aug 17.

Nationally, between Apr 17 – Aug 17 55.42% of delayed days were attributable to the NHS, 37.52% were attributable to Social Care and the remaining 7.06% were attributable to both NHS and Social Care.

Locally, between Apr 17– Aug 17 68.76% of delayed days were attributable to the NHS, 20.99% were

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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attributable to Social Care and the remaining 10.25% were attributable to both NHS and Social Care. Concerns remain about managing delays from Sussex Partnership Foundation Trust (SPFT) which relate to non -acute Mental Health settings. These accounted for 49.47% of delayed days between Apr 17 – Aug 17. The main issue cited by SPFT is lack of specialist Mental Health care home provision for older people requiring residential/nursing care in order to be discharged from Nevill dementia ward. A Care Home Market Action plan has been developed with the CCG to respond to market capacity issues and to the requirements of the Care Act. There is a shortage of care home provision for older people with mental health needs. Work continues to support care homes to care for people with dementia and nursing needs and to facilitate market diversification where possible. Providers are aware of the needs of the city through the Market Position Statement published by Adult Social Care. This is jointly produced and published by BHCC/CCG. This is also communicated through regular meetings with the care home sector. When people with dementia require a care home bed, every effort is made to offer a place in the city. If this is not possible due to market capacity, people are offered placements locally in East & West Sussex. Where relevant, Brighton & Hove pay above the set rate for a care home placement. ASC has worked closely with other partners in Health and the 3rd sector in developing a discharge to Assess approach (Home First). This means that patients are discharged in a timelier manner – reducing LOS in the acute beds.

#### Actions:

1. Refresh Market Position Statement late 2017 (Assistant Director of HASC, Dec 17)
2. Participate in a weekly MADE (Multi agency accelerated discharge event) involving colleagues in BSUH / CCG each week to support flow in the system. This is attended by senior staff in Hospital Social Work services. (Senior managers, Ongoing).
3. Maintain representation on the A&E delivery board where strategic and operational action plans are developed / monitored to address the local issues and create collaborative solutions. We dial into daily system call- this include weekends (Director/Assistant Director of HASC, Ongoing).
4. Rollout Homefirst approach for Brighton and Hove patients across all wards at the Royal Sussex County Hospital (following agreement at A+E delivery board 28th September 2017) (Assistant Director of HASC, Oct 17–Jan 18).

**Telecare - % of support plans that have Telecare as a component [Corporate - council]**

%

60.00

61.00



**Improving**

#### Position:

This Performance Indicator measures whether or not Telecare is in place and is based on historical information on Social Care records, activities completed by the Living Well team and new information provided by the Carelink service. This is reported as a rolling 12 month result.

In the last reporting year we introduced a new Telecare classification which is immediately visible on the persons social care record and is added as part of the assessment/review process. We have also explored more efficient methods to cross reference data captured on the 2 separate data bases, Carefirst (Adult Social Care) and Jontek (Carelink). A process to match and update records has been implemented with support from admin teams, the resulting improved data matching between both systems delivers a more robust result.

Of the 3,133 people with community based services & care plans in the period October 16 -September 17, 1,912 have had the provision of Telecare captured on their record.

This equates to 61.0% of people with current Community Based services identified as having Telecare/Carelink in place.

The target was set at 60%, as this is a local indicator there is no comparator information available. The 2014/15 result was 44% and the target represented continued progress of the telecare agenda.

#### Demographic Profile:

Of the 1912 people who have had provision of telecare captured in their record the following

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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demographic profile applies:

Gender: 1229 are female and 683 are male.

Age band: 520 people are aged 18-64, 253 are aged 65-74, 407 are 75-84 and 732 are aged over 85.

Ethnicity: Asian/Asian British: 21, Black / African / Caribbean / Black British: 17, Information Not Yet

Obtained: 91, Mixed / multiple ethnic groups: 26, Other ethnic group: 22, White British: 1664, White Irish: 29, White Other : 42.

Commentary:

Performance for this indicator is affected by a number of key pressures locally such as issues in the hospital affecting number of referrals to the Living Well service from the acute sector . The Living Well service has devised a number of actions to strengthen links with the hospital and promote the service. The continued improvement in performance reflects the continued recognition of telecare as a key part of care and support. Living Well referrals are at a high level with positive links now embedded with Access point and the Home first (Discharge 2 Assess) process.

The better care funded initiative 'Telecare: Living Well' started 13 July 2015. This initiative provides Telecare support and other personalised preventative services to help reduce , prevent or delay the need for care and support. Throughout 16-17 we continued to see an increase in performance as a result of this initiative and the additional recording of Living Well Care Managers .

We continue to ensure that we are capturing telecare provision at all stages of the assessment process including authorisation of funding. Our data sources have increased and this in turn has improved the robustness of the indicator. We have also revised the denominator cohort to ensure it accurately represents people receiving services in the community who would be eligible for Telecare and have a care plan.

In 2012 a dedicated project was initiated to raise the awareness of the benefits of Telecare and to embed Telecare as a support tool into social care and health practice . Ongoing project work has included regular staff training sessions, delivery of an increased range of Telecare solutions and awareness raising of the benefits of Telecare to community groups through presentations , awareness talks and marketing. Relationship building with the community and voluntary sector has also been an important aspect of the project.

Overall Performance demonstrates that Telecare has become an integral part of social care provision . Ensuring Telecare is delivered to the highest standards by achieving on going accreditation from the Telecare services association has been completed- we passed our audit and received accreditation in September 2016, there were no improvement notices. (Project Manager, Assessment Unit).

Actions:

1) Ensure the Telecare project (Telecare:Living Well) continues to deliver against its commissioned outcomes. This provides early help to people who are struggling with aspects of daily living. This project supports both Value for Money and Better Care Fund programmes and provides a preventative service and wellbeing support to local residents. (Project Manager, Assessment Unit, ongoing).

2) Ensure on going promotion (and learning & development) of Telecare is delivered to health and social care professionals and members of the community. (Project Manager, Assessment Unit, ongoing).

3) Ensure the latest technological solutions are used to support independent living and to minimise risks. Project Manager, Assessment Unit-ongoing

4) Continue to ensure that Telecare is considered, and evidenced, at all stages of the assessment process. (Performance Improvement Managers, Assessment Unit, ongoing).


5) Liaise with system providers at Carelink to establish process to ensure the cohort of service users is accurately reflected on the separate Adult Social care database . (Performance Improvement Managers, Assessment Unit-commence January 2017, ongoing).

6) Incorporate data quality checking into work programme for new Information officers who will commence in post in November 2017. (Performance Improvement Managers, Assessment Service).



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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## 2017-18 Neighbourhoods Communities & Housing - Council (Corporate)

<b>The number of private sector vacant dwellings returned into occupation or demolished [Corporate - council]</b>	<b>No.</b>	<b>79.50</b>	<b>73.00</b>	 RED Improving
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### Position:

During the 2017/18 financial year to date, 73 private sector vacant dwellings have been returned into occupation or demolished. The standalone result for Quarter 2 is 32. The 2017/18 target is locally set at 159 in order to maintain performance achieved during 2016/17, which is an average of 39.75 per quarter and 79.5 for the year to date. Although performance for 2017/18 is below the quarterly average (73 compared to 79.5), this result is likely to improve as properties are always returned to use at different rates throughout the year. The standalone figure for Quarter 1 has now increased to 41 (up from 32 when reported previously) following further "back in use" confirmations from Council Tax.

### Commentary:


Based on current trends performance is off track and will need to improve over the remainder of the 2017/18 financial year in order to meet the target. This is still possible given that results tend to vary between quarters and additional properties can show back in use after quarter end when council tax records are updated. A well established and systematic approach by the Empty Property Team has led to sustained year on year performance, and the team are in constructive dialogue with the owners of 366 properties.

Threatened or actual enforcement measures act as a disincentive for owners to leave dwellings empty and will assist in improving performance and a pilot project is underway investigating use of a recyclable funding pot to resource enforcement action. A lack of funding for incentive offers to owners is an ongoing challenge and this continues to be explored following the completion of a business case by the Empty Property Team setting out the cost benefits.

It is necessary to maintain a net reduction in the number of empty dwellings in order to achieve any financial gain from the New Homes Bonus (NHB), which is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas through new build homes, conversions and long term empty homes brought back into use. A threshold was introduced into this equation from 2016 meaning that the council would have to achieve a certain number of new homes before units would be counted towards the bonus payment. This threshold was not reached for year 2016/17 (count date October 2017) meaning that empty property figures did not affect gain/loss of New Homes Bonus this year. Income secured through the NHB relating to empty properties returned to use since 2010 currently stands at £1.38m net.

### Actions:

1. Empty Property Enforcement Group re launch in line with revised Empty Property Strategy (Empty Property Officers, December 2017).
2. Work with Council Tax to maximise New Homes Bonus income (Empty Property Officers, October 2017).
3. Carry out New Homes Bonus Review working with Council Tax colleagues to improve reporting options for owners of empty properties (online form in development) (Empty Property Officers, March 2018).

<b>Housing Tenants: Rent collected as % of rent due [Corporate - council]</b>	<b>%</b>	<b>98.40</b>	<b>98.97</b>	 GREEN Improving
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### Position:

The projected 2017/18 rent collection rate for council housing tenants is 98.97%. Current performance has slightly improved relative to the 2016/17 result of 98.96%. Comparator data from Housemark indicates that 2016/17 performance ranked within the top quartile (best 25%) when compared to both local authorities and housing associations.

The quarterly trend for the result is:

April to June 2015 = 98.56%

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
July to Sept 2015 = 98.66%				
Oct to Dec 2015 = 98.62%				
Jan to Mar 2016 = 98.77%				
Apr to Jun 2016 = 98.91%				
July to Sept 2016 = 98.85%				
Oct to Dec 2016 = 98.8%				
Jan to Mar 2017 = 98.96%				
Apr to Jun 2017 = 98.99%				
Jul to Sep 2017 = 98.97%				


The target of 98.4% is based on maintaining the 2016/17 target. This equates to roughly 0.5 percentage point reduction on 2016/17 performance. Although the evidence base is limited, this is the drop in performance seen in comparator authorities that have seen similar implementation of Universal Credit that Brighton and Hove will see this year.

#### Commentary:

Performance is good although the full rollout of Universal Credit doesn't begin until October 2017 and this is the most serious challenge when it comes to rent collection. In preparation for this, the Housing Income Management team has a procedure in place to formalise the way they help affected tenants with their claims. The ability to collect rents from tenants has a significant financial impact because it determines the resources available to spend on the management and maintenance of tenants' properties through the Housing Revenue Account (HRA). Of the three actions from the previous quarter, one has been completed ("Modelling of likely impact of new Universal Credit cases upon rent collection over the course of 2017/18 financial year, so that an achievable target can be set").

#### Actions:

1. Look into how technology can support income collection and arrears minimisation e.g. Housing app, text message notifications/reminders, mobile working possibilities (Business Change Manager, July 2019).
2. Develop a pre tenancy online 'Better Start' guide to help prospective tenants get into the best financial position before their tenancy begins (Project Officer – Welfare Reform, January 2018).

<b>% of the council's homes that do not meet the government's Decent Homes Standard [Corporate - council]</b>	<b>%</b>	<b>0.00</b>	<b>0.00</b>	 <b>No change</b>
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#### Position:

At the end of September 2017, 0% of Housing owned dwellings did not meet the governments Decent Homes Standard. Currently 100% of our Council Housing Stock maintains the Decent Homes Standard.

This has been maintained since September 2015.

The target is to maintain 100% decency (or 0% non-decent) throughout the year. The decent homes 100% standard was first achieved in December 2013. Properties drop out of the Decent Homes Standard on the 1st of January each year as this is the point where the age of each individual asset element (kitchen, bathroom, door, boiler) changes.

#### Commentary:

The council holds asset information for each element of each property. This includes age and condition. This is used on an annual basis to identify the properties that will require planned works in the forthcoming year in order to ensure they remain decent. Capital budgets for decent homes work are set on the basis in line with the Housing Revenue Account (HRA) Asset Management Strategy priority of "investing in homes and neighbourhoods". Progress against the programmes and decency are monitored on a quarterly basis and reported to Housing & New Homes Committee.

The following work has been completed from April to September 2017 which has a direct impact on properties remaining decent under this measure:

- Windows – 304 units

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
<ul style="list-style-type: none"> <li>Bathrooms – 47 units</li> <li>Kitchens – 162 units</li> <li>Rewires – 451 units</li> <li>Doors – 112 units</li> <li>Roofs – 112 units</li> <li>Gas boilers – 392 units</li> </ul>				

Action:

1. Carry out initial budget consultation for 2018/19 budget with members and residents. (Head of Property & Investment, December 2017)
2. Submit HRA capital budget proposals to Housing & New Homes Committee for consideration. (Head of Property & Investment, January 2018)

## 2017-18 Strategy Governance & Law - Council (Corporate)

<b>Number of Whistleblowing Allegations received [Corporate - council]</b>	<b>No.</b>	<b>2.00</b>	<b>Trend</b>
			<b>Decreasing trend</b>

Position:

This Performance Indicator (PI) measures the number of whistleblowing allegations which were received within the reporting period.

Apr - June 2016/17: 3

Jul- Sept 2016/17: 4

Jan - Mar 2017/18: 2

Apr - June 2017/18: 0

July- Sept 2017/18 2

This indicator is set up to measure the trend of the numbers of whistleblowing allegations received and as such has no target set for the year. It is a local measure, there is no comparator information available.

Commentary:

Between July and September 2017 there have been 2 reported cases, 2 year to date. There were 4 for the same period last year, 7 year to date.

The whistleblowing steering group met in September and discussed the downward trend in reported cases. All whistleblowing allegations received have been or are being investigated. The Monitoring Officer, Head of Human Resources and Organisational Development and the Head of Internal Audit have met regularly upto September 2017 to review progress on whistle blowing cases and to identify any common themes or issues that might require wider consideration. The new Heads of HR and Audit have been briefed on Whistleblowing.

Progress on whistle blowing is reported to the Audit & Standards Committee as part of the Annual Governance Statement. The whistle blowing policy has been publicised as part of the refreshed approach to Fraud & Corruption awareness including:

- fraud e-learning awareness programme (completed by more than 800 members of staff)
- updated the counter-fraud strategy and framework (approved by Audit & Standards Committee in June 2016)

Monitoring of whistleblowing in the council is now more robust and continues to be improved; we have more reliable data, better monitoring, better publicity and greater numbers of allegations received. For 2016/17 whistleblowing informed the council's Corporate Risk Assurance Framework (reported to Audit & Standards Committee January 2017).

Actions:

1. Continue to monitor the returns to establish that figures have increased. (Executive Lead Officer, SGL. November 2017)
2. Improved communications to staff via the Corporate Management Team and the Wave (Executive Lead Officer, SGL. November 2017)



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
3. Raise awareness to staff via message on payslips (Executive Lead Officer, SGL. January 2018)				
4. Include whistleblowing as part of fraud awareness e-learning (Executive Lead Officer, SGL. March 2018)				
5. Review of School's whistleblowing policy: (Executive Lead Officer, SGL. November 2017)				

<b>Organisational result: Number of Stage 1 Complaints received by corporate Customer Feedback Team [Corporate - council]</b>	<b>No.</b>	<b>705.00</b>	<b>Trend</b>
			<b>Decreasing trend</b>

#### Position

Between April to September 2017 there were 705 complaints.

The result for the same time in 2016/17 was 869 complaints.

The trend for the last eight quarters is:

2015/16: Q3=420, Q4=339, total for the year =1589.

2016/17: Q1=456, Q2=413, Q3=404, Q4=277, total for the year =1550.

2017/18: Q1=311, Q2=394 projects to 1410 for the year.

The result for Q2 is very similar to results for other quarters over the last two years (4x394=1576) but represents a 26% increase compared to Q1 17/18.

Few other local authorities provide their annual complaints data and where they do the corporate complaints processes used often differ so that direct comparisons are not easily made.

In Q2 2017/18, 24 of 70 complainants completing the online form provided Equalities Monitoring information. The numbers are too low currently to make significant comparisons, but information held on the City Tracker has been used for comparative purposes. 55% of complainants were in the age range 35-54 compared to 36% of the city population, and 0% of complainants were in the age range 18-24 compared to 15% of the population of the city.

64% of complainants were Female compared to 49.8% of the city population.

64% of complainants were English/Welsh/Scottish/Northern Irish/British (White) compared to 81% of the city population.

23% of complainants were Christian compared to 43% of the city population.

36% of complainants were disabled or limited by health compared to 16% of the city population.

#### For 2016/17:

In Q1 60% of replies were sent within 10 working days, 80% within 20 working days.

In Q2 58% of replies were sent within 10 working days, 79% within 20 working days.

In Q3 73% of replies were sent within 10 working days, 92% within 20 working days.

In Q4 82% of replies were sent within 10 working days, 96% within 20 working days.

The target for response times within 10 working days is 80%=Green, 70%=Amber.

The target for response times within 20 working days is 95%=Green, 85%=Amber.

For the year 2016/17 67% of replies were sent within 10 days, 86% within 20 days.

For the year 2015/16 66% of replies were sent within 10 days, 87% within 20 days.

Response times complaints for 2017/18:

In Q1 77% of replies were sent within 10 working days, 94% within 20 working days.

In Q2 71% of replies were sent within 10 working days, 95% within 20 working days.

#### Commentary

The detailed information below shows that the increase in complaints from Q1 to Q2 has been as a result of a significant increase in complaints received by City Clean. There were 29 in July and 78 in August when residents were dissatisfied that their refuse or recycling collections had been missed, that they had not been provided with new bins and that they could not get through to the contact centre to report the problem.

There were unprecedented levels of sickness among drivers and the service were unable to get agency replacements. A similar problem was experienced in getting temporary call centre staff to deal with the anticipated increase in customer contacts relating to the roll out of new bins. Complaints are reducing but remain much higher than received in the previous six months.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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The Customer Feedback Team review Customer Feedback results with all major teams every quarter . Below are the complaint numbers by directorate for the last 6 quarters in the following format:

(Q1 2016/17, Q2, Q3, Q4), Q1 2017/18, Q2. Main issue of complaint in Q2 (number of occurrences).

- Cityclean = (93, 108, 66, 27), 31, 124; Recycling collection missed (29), Failure to Provide Boxes/Bins (22), Missed collection (20), Cannot get through to Contact Centre (13).
- City Development & Regeneration = (16, 5, 11, 11), 16, 11; Delay in determining (5), Disagree with decision (4).
- City Parks = (15, 21, 14, 4), 11, 4; Allotments (2).
- Highways = (15, 13, 11, 13), 8, 3; Enforcement (1).
- Parking = (49, 25, 30, 28), 29, 38; Resident/Traders/Business Permits (6).
- Sport & Leisure = (5, 11, 16, 0), 5, 6; Enforcement on beaches and promenade (3).
- Tourism & Venues = (0, 0, 0, 1), 0, 0;
- Revenues & Benefits = (43, 44, 29, 35), 23, 27; Admin Errors (9), Delay Processing (5) Legal Action (5).
- Children's Safeguarding & Care = (15, 17, 14, 12), 21, 12; Lack of support for child (9), Lack of support for parent (5), Unhappy with decision (7).
- Education & Skills = (4, 0, 3, 0), 3, 0;
- Health, SEN & Disability = (2, 2, 12, 1), 2,2; EHC Plan (1), Level of support (1)
- Adult Social Care = (29, 24, 21, 16), 16, 13; Efficiency of Service (7), Staff Attitude (6)
- Property & Investment = (74, 72, 84, 71), 61, 62; Delay completing repair (19), Poor communication (16), Poor quality of repair (14).
- Tenancy Services = (35, 32, 36, 26), 30, 36; Housing N/E/C/W Lack of Action (13).
- Housing Needs = (25, 23, 37, 22), 29, 27; Dissatisfaction with service (17).
- Regulatory Services = (8, 8, 6, 6), 5,7 ; Difficult to contact (3), Poor Communication (3).
- Life Events = (6,5,2,3), 3, 2; No common issues.

- City Clean reported in Q1 they would establish and implement process for monitoring and working more closely with public toilet contractors, which would improve cleanliness and safety by June 2017. Complaints about quality of cleaning reduced from Q1=5 to Q2=4.

- City Parks reported in Q1 that they were reviewing their administrative processes, complaints reduced from Q1=11 to Q2=4.

- Tenancy Services reported in Q1 that they were working on improving the quality of response to members of the public and expected this would reduce the number of complaints escalating to Stage 2, the percentage escalating reduced from 23% to 19%.

- Housing Needs reported Q1 they would be looking at how processes for placing people into temporary accommodation (TA) can be streamlined, overall complaints about TA reduced from Q1=11 to Q2=6.

## Actions

Actions being taken by services to reduce the complaints received are:

1. City Clean: Operation staff will be given a presentation of the Local Government Ombudsman report "Lifting the lid on bin complaints" to increase their understanding of how they can prevent of repetition of problems and assist in the services ability to deal with complaints effectively . (Head of Business Support & Projects, November 2017.)
2. Tenancy Services: Have frequent regular communication with service users who are reporting anti-social behaviour so that they are regularly kept informed of progress. (Housing Service Operations Manager, October 2017.)
3. The Customer Feedback Team issues weekly reminders to all members of the Corporate Management Team showing which complaints are becoming due for a reply and those which have not yet been replied to. The monthly Customer Insight Dashboard shows the response times for each Directorate. At quarterly Customer Feedback Review meetings with service leads and at Departmental Management meetings emphasis is placed on the need to provide timely responses. (Customer Feedback Lead, December 2017)

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
<b>Organisational result: % of Stage 1 Organisational Complaints upheld or partially upheld including Health &amp; Adult Social Care and Families, Children &amp; Learning [Corporate - council]</b>	%		<b>49.40</b>	<b>Trend</b>
			<b>Increasing trend</b>	

**Position:**

In Q2 2017/18, there were 49.4% (194/394) Stage 1 complaints upheld.

The result for the same time in 2016/17 was 41.7% complaints upheld.

The trend for the last eight quarters is:

2015/16: Q3=26%, Q4=38%.

2016/17: Q1=36%, Q2=42%, Q3=35%, Q4=31%, total for the year = 36%.

2017/18: Q1=40%, Q2=49% projecting to 45% for the year.

There is a trend for the numbers of complaints to reduce and the percentage of complaints upheld to increase.

No comparator information available from other authorities.

Below is the result by service in the following format:


Service name, Result Q2 2017/18 (Number upheld/Number of cases), Issue of complaint (Number upheld/Number of cases)

- Cityclean = 77.4% (96/124) (54.8%). Most frequently upheld: Failure to provide bin (29/36), Recycling collection missed (27/35).
- City Development & Regeneration = 73% (8/11) (40%) Can't get through by phone (2/2), Delay in reaching decision (3/5).
- City Parks = 50% (2/4) (18%); Broken bench, parking on verges.
- Highways = 33% (1/3) (25%); Street lighting.
- Parking = 29% (11/38)(38%); Resident, Business parking permits (2/6)
- Sport & Leisure = 17% (1/6) (20%) Single issue.
- Tourism & Venues = 0% (0/0) (0%); None.
- Revenues & Benefits = 44% (12/27) (57%); Delay in Processing (5/5)
- Education & Skills = 0% (0/0) (25%); None.
- Children's Safeguarding & Care = 33% (4/12) (38%); Unhappy with decision,(2/7).
- Health & Disability = (50%) (1/2) (66%); Single issue.
- ASC = Red 50% (10/20) (46%); Waiting for Assessment (3/4), Service Delay (3/5).
- Property & Investment = Red 50% (31/62)(48%) Poor Communication (9/11) Delay completing repair (7/13).
- Tenancy Services = 31% (11/36) (20%); Lack of Action (5/13).
- Housing Needs = 30% (8/27) (34%); Dissatisfaction with service (5/17).
- Regulatory Services = 14% (1/7) (20%); single issues.
- Life Events = 0% (0/2) (66%); None.

**Commentary:**

The level of upheld complaints has increased. This has mostly been driven by the significant increase in the number of upheld complaints about City Clean Q1=17, Q2=96 which was an increase from 55% to 77%. There has been an increase in upheld complaints about Tenancy Services Q1=6, Q2=11 which was an increase from 20% to 31%. Information above describes the most frequently upheld issues. Other services such as City Development, City Parks and Highways had increases in the percentage of upheld result. However the number of complaints received about those services was relatively few and so the impact on the overall result was slight.

Teams should endeavour to avoid issues of dissatisfaction becoming formal complaints by resolving the matter with their customers. This is good customer service and avoids the cost of engaging the complaint process. However, where a service receives a formal complaint and recognises that there has been a mistake it is good practice to apologise, offer an explanation and consider what action they can take to prevent the same issues recurring.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
<b>Actions:</b> Services where the upheld complaints have had the most impact have identified a range service improvements, these relate to the main issues of complaints. 1. In City Clean there will be service update meeting every morning for Operation Manager, Team Leaders and Contact Centre staff to encourage information sharing so that contact centre can give accurate information to customers. (Head of Business Support & Projects, November 2017) 2. Development Control have introduced and publicised a set of Customer Service Standards. Staff are being provided with Customer service /complaint training to support them with the new way of working. This will allow focus on presenting a more consistent and positive image to customers, there will be emphasis on making it easier for customers to contact the team. (Head of Planning, December 2017)				
<b>Organisational result: % of Stage 2 Complaints upheld or partially upheld including Families Children &amp; Learning. (There is no Health &amp; Adult Social Care Stage 2 process) [Corporate - council]</b>	%	17.00	11.63	 GREEN <b>Improving</b>

**Position:**

In Q2 2017/18, there were 4.5% (2/44) Stage 2 complaints upheld.

There are 19 Stage 2 complaints not yet completed. Results will be updated when the outcome of those cases is known.

The result for the same time in 2016/17 was 24.3% (9/37) complaints upheld.

The result projects to 11.6% (10/86) for the year.

The Green target for 2017/18 is 17% and is a 2 percentage point reduction in the result for 2016/17.

The trend for the last eight quarters is:

2015/16: Q3= 17% (6/35), Q4=22% (11/34), the result for the year was 22%

2016/17: Q1=21% (11/52), Q2=24% (9/37), Q3= 14% (7/52), Q4= 18% (7/38) which gave a total of 19% for the year. (All cases concluded)

2017/18: Q1=19%, Q2=4.5% projects to 11.6% for the year (19 cases to be concluded)

There is no comparator information available from other authorities on the percentage of Stage 2 complaints upheld.

Below is the result by service in the following format:

Service name, Result Q2 2017/18 (Number upheld/Number of stage 2 cases), Escalation rate (percentage of complaints not resolved at Stage 1 in Q2 and where the customer requested a Stage 2, (Stage 2 cases/Stage 1 cases)

- Cityclean = Green 0% (0/1) (0%). Escalation Rate 0.8% (1/124).
- City Development & Regeneration = Green 0% (0/7) (20%). Escalation Rate 64% (7/11).
- City Parks = Green 0% (0/3) (0%). Escalation Rate 75% (3/4).
- Highways = Green 0% (0/1) (0%). Escalation Rate 33% (1/3).
- Parking = Green 0% (0/3) (33%). Escalation Rate 8% (3/38).
- Sport & Leisure = Green 0% (0/1) (0%). Escalation Rate 17% (1/6).
- Tourism & Venues = Green 0% (0/0) (0%). Escalation Rate 0% (0/0).
- Revenues & Benefits = Green 0% (0/4) (20%). Escalation Rate 14.8% (4/27)
- Children's Safeguarding & Care = Green 0% (0/4) (0%). Escalation Rate 31% (4/13)
- Education & Skills = Green 0% (0/0)(0%). Escalation Rate 0% (0/0)
- Health & Disability = Green 0% (0/0) (0%). Escalation Rate 0% (0/2)
- ASC = No stage 2 in Adults Social Care complaint process.
- Property & Investment = Green 0% (0/3) (17%). Escalation Rate 4.8% (3/62).
- Tenancy Services = Green 0% (0/7) (14%). Escalation Rate 19% (7/36).
- Housing Needs = Green 0% (0/4) (66%). Escalation Rate 14.8% (4/27).
- Regulatory Services = Red 40% (2/5) (0%). Escalation Rate 71% (5/7).
- Life Events =Green 0% (0/0)(0%). Escalation Rate 0% (0/2)

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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Commentary:

Stage 2 complaints are investigated by the Customer Feedback Managers who are independent of services. A low percentage of upheld or partially upheld results at Stage 2 can indicate that service managers carrying out Stage 1 investigations have reached a fair and reasonable decision.

The Escalation Rate gives an indication of the ability of services to resolve complaints at S1. For Q2 that result is 11% (44/394) which is Amber compared to 13.5% (42/311) for Q1 which was Red. This indicates that more complaints are being resolved at Stage 1.

Stage 2 Investigations carried out by the Customer Feedback Team may result in service improvements being identified.

Action taken during Q2 includes: All services being notified they should familiarise and remind themselves of the guidance on what to do when there is a breach of personal data, and specifically: (a) Where there has been a breach the relevant manager should be informed and a review carried out which should be reported to Information Governance. (b) Reasonable attempts should be made to recover data and prevent a further breach. The Housing Customer Service team have advised tenants of timescales when taking reports of visitor car parking permit abuse.

To help services understand why there is an increase in the percentage of cases progressing to Stage 2, Customer Feedback Managers, in their quarterly discussions with service leads, look at all cases that have progressed from Stage 1 to Stage 2 and from Stage 2 to Ombudsman. They will identify if the complaint could have been resolved at an earlier point in the customer journey and will encourage the service to apply any learning from that discussion.

The Customer Feedback Team provide training in developing investigations skills and identifying service improvement as part of the Council wide learning programme. The Customer Feedback Team also offers tailored training to support the needs of individual teams. Feedback received from delegates who have attended is that the workshops are very informative and useful.

We need to continue to improve the skills of all managers and their teams so that people who have raised complaints at Stage 1 believe that their issue has been fairly investigated and that they have been treated with empathy and respect. Recognising when something has gone wrong, giving an explanation and a meaningful apology in a timely manner is really important for improving overall customer satisfaction.

It should be noted that as some teams have few numbers of complaints at Stage 1 and an increase of a single case referred to Stage 2 or an increase of 1 upheld case can cause a noticeable percentage change in their results.

Actions:

1. The Customer Feedback Team will continue to provide support, advice and training to enable service managers to give high quality response to complaints which focus on either resolving matters or giving clear explanations why service have to be delivered as they are. (Customer Experience Lead. December 2017.)

2. The Customer Feedback Managers will continue to provide reports to and meet with service managers to identify service improvements and to improve the quality of Stage One replies. (Customer Experience Lead. January 2017.)

**Organisational result: Number of compliments received [Corporate - council]**

**No.**

**234.00**

**246.00**



**Improving**

Position:

For Q2 2017/18, 246 Compliments were received.

234 were received in Q1, and the projection for the year is 960.

The target for 2017/18 is 936 (234 per quarter) which is a 2% increase on the 2016/17 result. Amber is 920 (230 per quarter) and will maintain the 2016/17 performance.

The trend for the last eight quarters is:

2016/17: Q1=198, Q2=240, Q3=274, Q4=207 which gave a total of 919 for the year.

2017/18: Q1=234, Q2=246 which projects to 960 for the year.

No benchmarking data is available.



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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For Q2, 87% (214) of compliments were from members of the public, 5% (11) were from external professionals who work alongside the council, 9% (21) were from colleagues working in collaboration with other services.

Below are the last 6 quarters numbers of compliments listed by directorate. They take the following format:

Directorate: (Q1 result 2016/17, Q2, Q3, Q4), Q1 2017/18, Q2.

- Economy, Environment & Culture: (48, 80, 79, 58) 68, 72.
- Families, Children & Learning: (29, 25, 48, 19) 35, 31.
- Finance & Resources: (14, 12, 11, 10) 10, 9.
- Health & Adult Social Care: (37, 46, 48, 35) 52, 56.
- N'hoods, Communities & Housing: (64, 64, 76, 71) 29, 51.
- Strategy Governance & Law: (5, 13, 12, 13) 22, 27.

Commentary:

A compliment is when someone “makes a proactive attempt to congratulate a service provider and explains why they appreciated the service provided.”

There is value in recording the compliments received, firstly it helps to provide a balanced perspective alongside the complaints received and shows that very many customers are so pleased with the service they received that they want to tell us. Secondly, the comments that people make when offering their compliments can be used for identifying what delights customers and therefore what aspects of a service or the way it is delivered we should seek to emulate. In the quarterly Customer Feedback Meetings the key phrases and sentiments customers express are shared with Service Leads for them to use in their team meetings to motivate team members, show they are valued, and focus on the positive aspects of the work we do.

Actions:

1. The Customer Feedback Team will continue to encourage and remind teams to send their compliments to Customer Feedback using the generic email address as this will enable us to build a picture of what customers find valuable. (Customer Experience Lead, December 2017)
2. The value of Compliments is promoted in the Complaints Investigation and Service Improvement workshops. (Customer Experience Lead, December 2017)
3. Compliments received are discussed with services leads in quarterly meetings to inform service improvements and for service leads to share with their teams. (Customer Feedback Managers & Service Lead, December 2017)




## **Brighton & Hove City Council**

### **Appendix 2:**

### **2017-18 City Corporate KPIs - Q2**

Period: Apr-17 - Sep-17

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
<b>2017-18 Families Children &amp; Learning - Quarterly - City (Corporate)</b>				
<b>Number of first time entrants to the youth justice system [Corporate - city]</b>	<b>No.</b>	<b>19.00</b>	<b>16.00</b>	 GREEN
				<b>Improving</b>

Position:

There have been 9 First Time Entrants (FTE) to the Youth Justice System between 1st July and 30th September 2017.

The quarter by quarter trend is:

(Q1 17/18) Apr to Jun 2017 = 6

(Q4 16/17) Jan to Mar 2017 = 10

(Q3 16/17) Oct to Dec 2016 = 7

(Q2 16/17) Jul to Sep 2016 = 10

From the Police National Computer (PNC) data, there were 30 FTEs during the year ending 31st March 2017, down from 56 during the previous 12 months and below the 2017/18 target of 37. The number of FTEs has fallen from 102 during the year ending 31st March 2014. This data became available from the 1st September 2017. The target is based on the number of FTEs from local interim data recorded on the case management system.

Brighton and Hove's FTE rate for the year ending 31st March 2017 is 137 per 100,000, below the national rate of 321 per 100,000 and the regional rate of 246 per 100,000. The rate for our statistical neighbours is 356 per 100,000 and 434 for our contextual neighbours.

The rate has fallen from 259 for the year ending 31st March 2016 and from 209 for the year ending 31st March 2015. The national rate has fallen from 362 for the year ending 31st March 2016 to 321 for the year ending 31st March 2017.

Due to the small numbers involved, a breakdown by demographics cannot be provided as this is a Corporate KPI and the information will be made publicly available.

Commentary:

It is significant that the YOS has continued to improve on this already low FTE rate. This continues to be as a result of the good joint working between the YOS and the police. However, following the introduction of a new diversion process in February 2017 we have not seen a significant reduction in numbers to 2016.


Of the 9 FTE's in the quarter all 9 went to court and received some form of community sentence. While 7 received sentences which result in working with the YOS, two received conditional discharges.

Sussex Police and Brighton and Hove YOS continue to scrutinise all youth cases that could be charged or given an out of court disposal. The panel at its review was seen to be working well and wider Sussex YOTs are now looking adopts the model. Exploration of the FTE rate is that a number of these come through to Court following no comment interviews pre-charge (and thus are not eligible for pre-court disposals), while work has been undertaken with local defence solicitors further work is needed. Work with the police is underway on developing a pathway for motoring offences.

Actions:

1. Maintain data flow between YOS and Police (Service Manager, on-going)
2. Undertake work with defence solicitors to enable them to understand the impact of no comment interviews ( Operational manager, April 18)
3. Work with Sussex police to develop a pathway for young people who commit motoring offences so that they will be also be able to receive out of court disposals. Operations Manager (December 17)



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
% of people with a learning disability in employment [Corporate]	%	11.00	9.90	 AMBER
				Declining

#### Position:

The % of people with a learning disability (LD) in Brighton and Hove who are in receipt of Adult Social Care and are currently in paid employment

2017/18 Q2 - 9.90% (69 clients out of a total of 697)

2016/17 - 10.96% (79 out of 721)

2015/16 (latest available) National Top Quartile = 8.9% (2016-17 data is due to be released on 25 October 2017)

For this performance indicator only people with learning disabilities who have eligible social care needs and are in receipt of social services are counted. These are the people furthest from the labour market. The number of people in this entire cohort has reduced this year from 721 to 697. Of that number, on 30 September, 69 (9.9%) were in paid employment. Based on the most recent data available this still puts Brighton & Hove in the top quartile nationally for this indicator.

Of the 10 people who were counted as employed on 31st March and are no longer counting towards this KPI:

5 - Are no longer in need of adult social care services (they are still in paid employment)

1 - Resigned from their job

4 - Were made redundant from their jobs (one from the council)

#### Progress to Date:

Supporting people to explore their vocational options is a multi disciplinary activity involving services across the council, the voluntary sector and mainstream services. Overview and strategic steer on this is provided by the Services Action Group for the city's employment and skills plan.

In 2016 the council commissioned the Learning and Work Institute to research the barriers people with disabilities face when seeking work. In 2017 the recommendations from the research are being incorporated into the services action group's action plan. There have been a number of positive developments this year.

The council's supported employment team has been chosen as one of the nine national sites where the DWP will test the concept of the DWP and local authorities working in partnership to deliver supported employment. The addition of this DWP funding will enable the Supported Employment team, working in partnership with Southdown employment services, to deliver an enhanced service to people with significant mental health challenges, autism or learning disabilities. This proof of concept project will last eighteen months and could potentially increase Supported Employment funding in the city by 50%. As part of this project the DWP is funding development opportunities for the council's supported implement team which will further enhance this high performing service.

The voluntary organisation Possability People has been funded by the DWP to deliver a journey to employment course for people with disabilities. This course has been so successful that the DWP have rolled it out to a total of 71 national locations which includes ongoing funding for the possibility people course in Brighton.

The council's Supported Employment Team and other Sussex based Supported Employment services are working in partnership with the Sussex community foundation NHS trust and the Brighton Sussex University Hospital NHS trust to meet the NHS commitment to hiring more people with disabilities. As a result of this partnership work so far in Brighton and Hove six people with disabilities have retained or gained employment with these local NHS trusts.


#### Next Steps:

1. Supported Employment Team to set up and deliver the DWP funded Proof of Concept initiative in Brighton & Hove (Karen Kingsland, March 2018)
2. Supported Employment Team to enter into discussion with the Work & Health Programme provider for this area to explore partnership working opportunities (Karen Kingsland, January 2018)
3. Supported Employment Team to participate in the Employment Services Network administered by the Family Information Service as part of their Providing Access to Childcare and Employment project.

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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(Karen Kingsland, January 2018)

## 2017-18 Health & Adult Social Care - Quarterly - City (Corporate)

<b>Number of alcohol-related hospital admissions per 100,000 population</b> <b>[Corporate - city]</b>	<b>No.</b>	<b>149.50</b>	<b>152.00</b>	 <b>New in 2017-18</b>
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### Position:

The way this indicator is calculated has changed in 2017/18 so we are unable to show direction of travel at this point in the year.

From April to June 17 there were 152 hospital admission episodes in Brighton & Hove for alcohol-related conditions (narrow definition) per 100,000 persons, directly standardised rate. There was an equivalent rate of 166 hospital admission episodes in Q1 17/18 in England. Brighton & Hove has performed better (lower admission rate) than England for this period. This is the latest available data on Hospital Episode statistics (HES).

These figures are currently unpublished and have been estimated by the Public Health team using both HES data and ONS 2016 mid-year population estimates. They have been calculated using the Public Health England definition for this indicator.

The recent trend (published by Public Health England on Fingertips) since 2014/15 has been for Brighton & Hove to have a lower rate than England for hospital admissions for alcohol-related conditions. The estimated 2016/17 annual rates are 598 admissions per 100,000 for Brighton & Hove and 641 admissions per 100,000 for England. These annual 2016/17 figures are also currently unpublished and have been estimated by the Public Health team using HES and ONS data. Based on the 16/17 figures and the current 17/18 quarterly figures, the trend for Brighton & Hove to be performing better than England looks set to continue, although the number of admissions in Brighton & Hove has risen slightly since 2015/16.

Brighton & Hove alcohol admission rates have traditionally been higher than other local authorities in the South East region but low compared to its CIPFA comparators. Brighton & Hove had the third lowest admission rate at 581 in 2015/16, compared to its CIPFA comparators who had rates ranging from 546 to 945.

### Commentary:


A number of different factors and organisations contribute to the reduction in alcohol related hospital admission rates. Providers of substance misuse treatment services have a role in this, as do Police (with regard to managing the night time economy), Higher Education organisations, local entertainment establishments, retail operators and other health and social care support organisations.

The work of the Alcohol Programme Board, and the associated domain groups, take forward the work streams that address alcohol related harm, including hospital admissions. The reduction in hospital related admissions should reflect the work that has been taken forward in the last three years. This has included a focus on supporting 'frequent returners' to hospital with an alcohol related issue, to address the underlying causes of their alcohol consumption. There has been work with off licences to reduce the amount of high strength beers and ciders available, which has meant that fewer of the 'street drinking' population are consuming high amounts of alcohol, which could result in a hospital admission. In the first quarter of 2017/18 there has been an upturn in the alcohol related performance in treatment services. A greater number of individuals are now successfully completing treatment for alcohol and not re-presenting within 6 months

The Safe Space project continues to operate on Friday and Saturday nights until the early hours in the City centre. Service monitoring data suggest the service does have some impact in reducing alcohol-related A&E admissions

### Actions:

1. To look at broader issues around alcohol, the Local Authority and partners are currently undertaking the Alcohol 'CLeaR', a self-assessment tool supported by Public Health England. This will help the partnership to identify areas to focus on for future development. (Lead – Alcohol Programme Board members led by Commissioner, Jan 18)
2. Collaborative development work is underway between the mental health services, substance misuse services and the local hospital trust. The aim is to improve communication between the various teams,

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
and ensure that the needs of individuals presenting at the hospital are appropriately met by support agencies. (Lead – CCG commissioners and PH commissioners, ongoing)				
<b>Under 18 conception rate per 1,000 women aged 15-17 [Corporate - city]</b>	<b>No.</b>	<b>24.00</b>	<b>20.40</b>	 GREEN Improving

#### Position:

This Performance Indicator (PI) measures the number of under 18 conceptions per 1,000 women aged 15-17 expressed as an average rate over the latest 12 months. This data is lagged and the latest data available relates to the twelve months ending June 2016.

The latest rate is 20.4 calculated as a 12 month rolling average and shows a 26.6% reduction compared with the same period the previous year.

It should be noted that two quarters in the last four are marked as having 'low reliability' due to low numbers, which has influenced this rolling average. Performance is ahead of the target for 2017/18 which is 24.0 conceptions per 1,000 women aged 15-17.

The target was set using the 2015 CIPFA Comparator Group benchmark figure.


#### Commentary:

Whilst the reduction in conception rate is positive this does include two quarter's information with data that has been flagged as 'low reliability'. However if this data is correct, the 26.6% reduction seen locally is greater than the 13.0% reduction in the South East, and a 9.6% reduction in England. There has been a 58% reduction locally in the under 18 conception rate since 1998, and this is now in line with the reductions seen in the South East and England (58% respectively) over the same time period. A full annual analysis will be completed by the end October, now scheduled to explore the data in depth. It will include the data that will demonstrate the impact on access to services from the social media developments promoting the Sexual Health and Contraception Service (SHAC).

#### Actions:

1. Teenage Pregnancy annual performance report will be completed by end October 2017, with service improvement actions being agreed and implemented. (Public Health Children, Young People and Schools Commissioner agree service improvement actions by Nov 2017).
2. The redesign of an integrated adolescent health offer across substance misuse and teenage pregnancy will be completed by November 2017, with the commissioning process starting and memorandum of understanding with FCL being negotiated. (Public Health Children, Young People start implementing the procurement process by Nov 2017).

### 2017-18 Neighbourhoods Communities & Housing - Quarterly - City (Corporate)

<b>Number of violent crimes with injury [Corporate - city]</b>	<b>No.</b>	<b>1,315.00</b>	<b>1,574.00</b>	 RED Declining
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#### Position:

Between April and September 2017, there were 1,574 injury violence crimes, an increase of 9% compared with the same period in 2016/17. This is against the 'in-year' target of 1,315 crimes. In 2016/17 there were 2,907 crimes of violence with injury, an increase of 9% on 2015/16.

The target for 2017/18 was set at the average per 1,000 residents for the 'most similar Community Safety Partnership' group of 15 partnerships for 2016/17. This equates to 9.282 crimes per 1,000 population, or 2,648 crimes for Brighton and Hove. This is a 9% decrease on the 2016/17 outturn. The rate of violent crime incidents varies across the year and the quarterly target is profiled accordingly. Compared with the benchmarked group of 15 Community Safety Partnerships over the first five months of 2016/17, Brighton & Hove's performance ranked below average with a rate of 2.8 injury violence crimes per 1,000 compared with 2.7 for the group.

According to A&E statistics, there were 696 attendances at A&E related to assaults in the first six

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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months of 2017/18, a 19% decrease on the same months in 2016/17.

Commentary:

Data recording issues, which have made the interpretation of police recorded violent crime data difficult, will have a reduced effect on the statistics over time but are still present at the moment. Therefore it is difficult to make a judgement on why violent crime is rising.

Further analysis of violent crime by the police reveals the increases in recorded violent crime relate to assault with injury, assault without injury, public fear alarm and distress and harassment and malicious communications. Police are also seeing an increase in the number of calls relating to violent crime.

From an operational perspective officers are reporting increases in DVSV and public place violent crime.

The Safe in the City Partnership Board received a report from police with includes analysis of violent crime, showing that police recorded violent crime is increasing particularly for public order offences and domestic and sexual violence.

Managing support for domestic violence is a particular concern and the team is working with the commissioned service (RISE) to establish a more effective triage process to effectively assess the vulnerability of victims and provide appropriate support.

Managing the Night Time Economy is included in the new Community Safety and Crime Reduction Strategy. This is accompanied by an action plan which is being developed to address safety and violence.

Actions:

1. Support RISE to improve the Triage system and manage risk harm and vulnerability more effectively (Dec 17 Head of Community Safety)
2. Ensure that the action plan for the Night Time Economy strand of the Community Safety Strategy is implemented. Focus within the strand on continuing support for Night Safe which takes in people who are vulnerable, drunk or drugged and supports them to get home safely (Apr 18, Head of Community Safety)
3. As a result of information being shared at the NICE Committee in October the CEO will be asked to write to the Government regarding the reduction in police resources which the committee believes is contributing to an increase in violent crime and other crime types. (Dec17 Head of Community Safety)
4. Continue work with police to address drugs gangs and 'county lines' closing down properties that are 'cuckooed' by dealers that attract ASB and violence. (Dec17 Head of Community Safety)

**Nitrogen Dioxide levels in Brighton and Hove ( $\mu\text{g}/\text{m}^3$  - micrograms per cubic meter): Lewes Road (quarterly) [Corporate - city]**

**No.**

**36.00**

**49.20**



**Declining**

Position:

The average level Nitrogen Dioxide ( $\text{NO}_2$ ) measured at Lewes Road as a 12 month rolling mean up to 30 June 2017 is  $49.2 \mu\text{g}/\text{m}^3$  (micrograms per cubic metre). This is the latest data available. There is always a time lag obtaining these results from the contractor, TRL. This quarterly data is calibrated and ratified by the contractors before publication. We anticipate that the Q2 data will be available October 2017.

The target of  $36 \mu\text{g}/\text{m}^3$  is 90% of the  $40 \mu\text{g}/\text{m}^3$  is the EU and UK standard, which would mean Brighton and Hove are statistically assured that the EU and UK standard are met. To be able to revoke an Air Quality Management Area nitrogen dioxide levels must be less than  $36 \mu\text{g}/\text{m}^3$  for over a year.

For the  $\text{NO}_2$  continuous analysers at Lewes Road and North Street they will report the following  $\text{NO}_2$  levels where  $<36 \mu\text{g}/\text{m}^3$  is equivalent to 90% of the objective and in Defra Technical Guidance TG 16 is regarded as a near miss or potential exceedance

The level of  $49.2 \mu\text{g}/\text{m}^3$  demonstrates a slight increase compared to the last reporting period where it was  $48.3 \mu\text{g}/\text{m}^3$ . We have seen an increase trend over the last year. In comparison higher concentrations of nitrogen dioxide were recorded during 2014.

Commentary:

Continuous automatic monitoring of nitrogen dioxide continues in North Street and Lewes Road Brighton. Between 1996 and 2017 monitoring results for Lewes Road suggested that Nitrogen Dioxide levels exceeded the EU and UK standard (annual average). The council therefore has a statutory duty to declare an Air Quality Management Area for Nitrogen Dioxide. This was last declared in 2013. This declaration must be followed by an Air Quality Action Plan that sets out how that council will work

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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towards compliance with Nitrogen Dioxide at the facade of permanent residential dwellings.

Nitrogen Dioxide and particulate in diesel fumes is the second highest risk to overall health after smoking. Carcinogenic emissions influence lung cancer, lung and brain development, lifelong lung capacity, Chronic Obstructive Pulmonary Disease, bronchitis, pneumonia and stroke.

The European Commission can fine member states including the UK for none compliance of air quality legislation most especially the 40 µg/m3 limit for nitrogen dioxide which became legally binding some years ago. The process for enforcement of this provision and whether the fine will be passed to individual local authorities has not been clarified by central government. The BREXIT decision could also result in a review of the air quality objectives. Third parties such as Community Groups or Client Earth can choose to take independent legal action if the limits for the protection of human health are not met.

Proactive measures are being taken to improve emissions of buses, taxis. Modal shift has reduced the number of journeys by private car. Numbers of cars, vans and lorries have also reduced on Lewes Road (by 15%).

As a result of a successful bid with the Department for Transport, in 2014/15, 50 buses have been retrofitted. A scheme to improve taxi emissions is ongoing and due to be completed by the end of December 2017. To extend this work a further Department for Transport was awarded to Brighton and Hove City Council in 2015/16 for 500k. This funding stream was the Clean Bus Transport Fund which targets reductions of emissions of oxides of nitrogen This work included retrofit of a further 23 buses for 2016/17 targeting lower emissions of oxides of nitrogen. The 23 buses are from Brighton and Hove Buses have now been retrofitted. In addition Brighton and Hove Buses have purchased 72 brand new buses. Big Lemon Bus Company are now operating 3 electric buses in the City using a contribution from this funding. Brighton and Hove buses are working with partners to progress with low emission options that work for a fleet operating 24hours 7 days a week. These changes to the bus fleet will show a reduction in NO2 emissions.

The air quality action plan was approved at Environment, Transport & Sustainability Committee in October 2015 and this includes a comprehensive set of measures to reduce nitrogen dioxide levels. The Council is required to provide annual status air quality reports to Defra and the latest report was submitted in June 2017 in accordance with the statutory timetable. This report was compiled in conjunction with colleagues from Transport and Public Health. This report is has been appraised by Defra and is now on the Council's website.

#### Actions:

1. Following agreement from defra transfer 170K of the Clean Bus Transport Fund to Big Lemon for Electric Bus delivery by March 2018 (Acting Head of Regulatory Services, March 2018)
2. To ensure that the remaining 6 taxis are retrofitted by December 2017. This project is funded by the Clean Vehicle Transport Fund. (Acting Head of Regulatory Services, December 2017)
3. Continue to monitor and manage the NO2 continuous analyser at Lewes Road (Acting Head of Regulatory Services, March 2018)
4. Continue to review the contract for the air quality automatic analysers which comes to an end January 2018. (Acting Head of Regulatory Services, January 2018)
5. Review the status of the City's Low Emission Zone with the introduction of the Government's proposed Clean Air Zone Framework. Review potential funding streams as this new framework is implemented. (Acting Head of Regulatory Services, March 2018)

**Nitrogen Dioxide levels in Brighton and Hove (µg/m3 - micrograms per cubic meter): North Street (quarterly) [Corporate - city]**

**No.**

**36.00**

**50.70**



**Declining**

#### Position:

The average level Nitrogen Dioxide (NO2) measured at North Street as a 12 month rolling mean up to 30 June 2016 is 50.7µg/m3 (micrograms per cubic metre). This is the latest data available. There is always a time lag obtaining these results from contractor, TRL. This quarterly data is calibrated and ratified by the contractors before publication. We anticipate that the Q1 data will be available October 2017.



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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The target of 36 µg/m<sup>3</sup> is 90% of the 40µg/m<sup>3</sup> is the EU and UK standard, which would mean Brighton and Hove are statistically assured that the EU and UK standard are met. To be able to revoke an Air Quality Management Area nitrogen dioxide levels must be less than 36 µg/m<sup>3</sup> for over a year.

For the NO<sub>2</sub> continuous analysers at Lewes Road and North Street they will report the following NO<sub>2</sub> levels where <36 µg/m<sup>3</sup> is equivalent to 90% of the objective and in Defra Technical Guidance TG16 is regarded as a near miss or potential exceedance

The level of 50.7 µg/m<sup>3</sup> demonstrates a slight increase compared to the last reporting period where it was 47.6 µg/m<sup>3</sup>. In comparison higher concentrations of nitrogen dioxide were recorded in 2015.

#### Commentary:

Continuous automatic monitoring of nitrogen dioxide continues in North Street and Lewes Road Brighton. Between 1996 and 2017 monitoring results for Lewes Road suggested that Nitrogen Dioxide levels exceeded the EU and UK standard (annual average). The council therefore has a statutory duty to declare an Air Quality Management Area for Nitrogen Dioxide. This was last declared in 2013. This declaration must be followed by an Air Quality Action Plan that sets out how that council will work towards compliance with Nitrogen Dioxide at the facade of permanent residential dwellings.

Nitrogen Dioxide and particulate in diesel fumes is the second highest risk to overall health after smoking. Carcinogenic emissions influence lung cancer, lung and brain development, lifelong lung capacity, Chronic Obstructive Pulmonary Disease, bronchitis, pneumonia and stroke.

The European Commission can fine member states including the UK for none compliance of air quality legislation most especially the 40 µg/m<sup>3</sup> limit for nitrogen dioxide which became legally binding some years ago. The process for enforcement of this provision and whether the fine will be passed to individual local authorities has not been clarified by central government. The BREXIT decision could also result in a review of the air quality objectives. Third parties such as Community Groups or Client Earth can choose to take independent legal action if the limits for the protection of human health are not met.


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2. To ensure that the remaining 6 taxis are retrofitted by December 2017. This project is funded by the Clean Vehicle Transport Fund. (Acting Head of Regulatory Services, December 2017)
3. Continue to monitor and manage the NO<sub>2</sub> continuous analyser at North Street (Acting Head of Regulatory Services, March 2018)
4. Continue to review the contract for the air quality automatic analysers which comes to an end

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
January 2018. (Acting Head of Regulatory Services, January 2018)				
5. Review the status of the City's Low Emission Zone with the introduction of the Government's proposed Clean Air Zone Framework. Review potential funding streams as this new framework is implemented. (Acting Head of Regulatory Services, March 2018)				
<b>The number of households where homelessness was prevented due to casework by the council and partner agencies [Corporate - city]</b>	<b>No.</b>	<b>1,086.00</b>	<b>921.00</b>	 RED
				<b>Declining</b>

#### Position:

During the 2017/18 financial year to date a total of 921 households had their homelessness prevented as a result of casework by the council and partner agencies. These preventions are achieved through assisting households to obtain alternative accommodation or enabling them to remain in their existing home. The 2017/18 target is locally set at 2,172 in order to maintain performance achieved during 2016/17. This annual target averages at 543 per quarter and 1,086 for the financial year to date, which means that performance is below target. The standalone result during Quarter 2 2017/18 was 449, a 5% decrease compared to 472 during the previous quarter and 500 during Quarter 2 2016/17. Council preventions have decreased by 21% compared to the previous quarter (from 154 to 122) and partner agency preventions have increased by 3% (318 to 327).

#### Commentary:

Performance is poor relative to the target and the result during the previous quarter. It is becoming more difficult for Housing Options Officers to prevent homelessness because they're working in a toughening climate in which lower income households in the city are finding it increasingly difficult to access the private rented sector and are at increased risk of losing accommodation in this sector. This is related to factors such as increasing rents, reductions in Local Housing Allowance payments and welfare reforms (such as the Benefit Cap and the upcoming full rollout of Universal Credit from October 2017). The key financial implication is that statutory homeless households will be likelier to require temporary accommodation (TA) including expensive nightly booked/spot purchase TA.


The Housing Needs service is working to mitigate these pressures by increasing prevention work through the use of Trailblazer funding awarded by the Department for Communities and Local Government (DCLG) and through plans to reduce the number of households in TA, including through the new social housing allocations policy (which prioritises 40% of social housing allocations for homeless households in TA). Of the two actions from the previous quarter, two have been completed ("Produce full implementation plan for use of Trailblazing funding" and "Develop plan for a whole project approach, aligned with Trailblazer project outcomes, to reduce temporary accommodation usage over the next 18 months"). Furthermore, all Trailblazer staff (three coordinators, 4 home visiting officers and 1 data coordinator) are now in post.

Mobilisation of the Trailblazer project took longer than anticipated and the figures haven't been included in the prevention figures but kept separate – when these are added there are an additional 100 preventions. We have now resolved the IT issues of recording and Trailblazer projects are fully mobilised so we are confident performance will be back on track by Q3.

The current IT system for housing option, prevent and home move 'Locator' will be replaced with the new IT system 'Home Connections' for the new financial year. The new system will enable more people to self-serve, creating capacity for officers to focus on those who need intensive assistance.

#### Actions:

1. Financial incentives to applicants and landlords to enable more people to access private rented accommodation where sustainment hasn't been successful. (Head of Temporary Accommodation & Allocations, January 2018).
2. Workshops for getting people ready for private renting being rolled out (Head of Temporary Accommodation & Allocations, January 2018)
3. Roll out early prevention successes of trailblazer to whole service (Head of Temporary Accommodation & Allocations, February 2018).
4. Realign service to focus on early prevention and sustainment in preparation for Homeless Reduction Act. (Head of Temporary Accommodation & Allocations, April 2018).
5. New IT system will enable more people to self serve, creating capacity for officers to focus on those who need intensive assistance. (Head of Temporary Accommodation & Allocations, April 2018).

INDICATOR	UNIT	TARGET	ACTUAL	STATUS
% of bus services running on time [Corporate - city]	%	95.00	80.00	 RED Improving

**Position**

The 2016/17 result of 80% reflects an 10 percentage point improvement on the previous year of 69.8% through still not at 2014/15 and earlier levels which were consistently around 85% - 90%.

The target has been set at 95% using the traffic commissioner threshold for bus services running on time as this was more challenging than the comparator average.

The latest CIPFA neighbour average is 83.9% and BHCC were ranked 6 of the 16 CIPFA Comparators in 2015/16


**Commentary:**

B&HCC has a compact road network and experiences a high volume of traffic which requires constant maintenance and improvement. Over the past couple of years there has been a high number of large scale essential highways improvements that have taken place on the network. The associated temporary traffic management arrangements to accommodate those works has caused more delays on the network than usual and in turn caused delays to buses.

There has also been a large amount of essential utility works on the network which has compounded the issue.

**Actions:**

1. B&HCC has commissioned a bus network review which will explore opportunities to improve the bus network, this work is expected to be completed in 6 months' time and will assist in informing future the capital investment programmes. (Head of Transport Projects & Engineering, Mar 18)
2. In terms co-ordination and managing utilities work on the network, B&HCC is employing its powers provided under the Traffic Management Act to ensure better co-ordination and execution of works carried out by utility companies to mitigate impacts on the network (Interim Traffic Manager, ongoing).

Number of drug related deaths [Corporate - city]	No.	30.00	27.00	 GREEN No change
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**Position:**

ONS produce annual calendar year data which in 2016 reported a total of 27 drug death poisonings of which 20 were related to drug misuse. This compares with data for 2015 which showed 27 drug death poisonings of which 17 were related to drug misuse.

Nationally comparable data for the 2014-16, period identified 56 deaths related to drug misuse with a mortality rate of 6.5 per 100,000 (Lower Confidence interval 4.8 – Upper Confidence Interval 8.4). This places Brighton and Hove in 53rd place of the 338 local authorities where a rate per 100,000 was calculated. For the previous 2013-15 measurement period the City was in 23rd place. This continues a positive improvement in the rate of drug related mortality in the City when compared with other local authorities.

**Commentary:**

Historically deaths from heroin overdose have made a considerable contribution to the total number of deaths in the City. Local delivery of a programme of naloxone mini-jet provision for clients and their families appears to be having a positive effect in reversing overdoses that might other whys have resulted in a death.

Increasing the numbers of opiate users accessing treatment and improving the retention of clients in treatment along with the successful completion of treatment also have a role in driving an improving picture locally relative the national profile of drug related deaths

The on-going challenge of addressing the mental health needs of those who commit suicide through



INDICATOR	UNIT	TARGET	ACTUAL	STATUS
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the use of poisons (barbiturates in particular) is at present affecting the overall number of those dying locally who are recorded as having a drug related death.

Actions:

1. Continue to ensure that all clients in treatment with a known history of using Heroin/other Opiates are offered first aid training and a naloxone mini-jet. (Substance Misuse Commissioner, quarterly)
2. Continue to work with partners such as hostels and A&E to support their use and distribution of naloxone with clients who are known heroin users/present with an overdose. (Substance Misuse Commissioner, on-going)
4. Work with mental health services to share learning of the risks of suicide with staff and clients in substance misuse services. (Substance Misuse Commissioner, on-going)
5. Continue to review and feedback the detailed findings of the DRD audits and incorporate recommendations into the Harm Reduction Action Plan. (Substance Misuse Commissioner, ongoing)
6. Pro-actively generate learning from those who die in treatment by compiling a list of clients who have died in treatment or have been identified by Sussex Police as a suspicious/drug related death via the Drug Death Risk meetings. Reviewing cases and share the learning across treatment services, rough sleepers team, Sussex police, Adult Social Care and Public Health. (Substance Misuse Commissioner, on-going)



### Appendix 3: Changes between 2016/17 and 2017/18 Corporate KPI sets

Leadership Board reviewed the Corporate KPI set to ensure all indicators provide the right balance of information to manage the council's services against officer's time to provide performance updates. This revised set was approved by the PR&G Committee in July 2017.

The KPIs that were removed from the corporate set following 2016/17 are as follows:

<b>Corporate KPI 2016/17</b>	<b>Status in 2017/18</b>
Percentage of people who agree that they will have enough money, after housing costs, to meet basic living costs? (City tracker)	Monitored at Economy Environment & Culture (EEC) Directorate Management Team (DMT)
Percentage of the working age population claiming out of work benefits	Monitored at EEC DMT
Growth in the number of businesses	Monitored at EEC DMT
The speed of determining applications for non-major development (65% government minimum standard for authorities not meeting national targets)	Deleted – replaced with new national measures for Planning services, see 2017/18 corporate KPI set
Major Planning applications determined within 13 weeks or within agreed time limit (PPA or EOT) (to include a comment about the planning threshold result at 40%)	Deleted – replaced with new national measures for Planning services, see 2017/18 corporate KPI set
Minor Planning applications determined within 8 weeks or within agreed time limit	Deleted – replaced with new national measures for Planning services, see 2017/18 corporate KPI set
Other Planning applications determined within 8 weeks or within agreed time limit	Deleted – replaced with new national measures for Planning services, see 2017/18 corporate KPI set
Overall absence in maintained & academy primary and secondary schools	Monitored at Families Children & Learning (FCL) DMT
Proportion of children living in poverty	Monitored at FCL DMT
Percentage of re-referrals to Children's Social Care Multi-Agency Safeguarding Hub and (MASH) Assessment Centre	Monitored at FCL DMT (MASH is now Front Door for Families)
Percentage of former relevant young people (care leavers) aged 19, 20 and 21 who were in education, employment or training	Monitored at FCL DMT
Percentage of children placed in foster care that are	Monitored at FCL DMT

### Appendix 3: Changes between 2016/17 and 2017/18 Corporate KPI sets

<b>Corporate KPI 2016/17</b>	<b>Status in 2017/18</b>
placed in-house	
Special Educational Needs Pupils: Key Stage 2 percentage achieving the 'expected standard' in Reading, Writing and Maths	Monitored at FCL DMT
Number of apprentices employed by Brighton & Hove City Council	Deleted as a KPI, monitored through FCL Directorate Plan
Percentage of employees responding that they have experienced discrimination or harassment or bullying in the last 12 months	Deleted: replaced with four measures to be monitored at all DMTs
Permanent admissions of younger adults to residential and nursing care homes	Monitored at Health & Adult Social Care (HASC) DMT
% Social care clients receiving Self Directed Support	Monitored at HASC DMT
Safeguarding Audits that demonstrate they have met agreed practice standards	Monitored at HASC DMT
Reduction in numbers of people held in police cells under Mental Health Act Section 136	Deleted, partnership indicator monitored by Sussex Police

Corporate KPIs introduced in 2017/18 are:

<b>Corporate KPI 2017/18</b>	<b>Notes</b>
% of non-major planning applications processed within statutory timeframes	New national measures for Planning services which replace the previous Corporate KPIs
% of major planning applications processed within statutory timeframes	New national measures for Planning services which replace the previous Corporate KPIs
% major application decisions that are overturned at appeal	New national measures for Planning services which replace the previous Corporate KPIs
% non-major application decisions that are overturned at appeal	New national measures for Planning services which replace the previous Corporate KPIs
% of social care clients receiving Direct Payments	Previously monitored at HASC DMT, now Corporate KPI
Number of rough sleepers (estimate)	Previously monitored at Neighbourhoods Communities & Housing (NCH) DMT, now

### Appendix 3: Changes between 2016/17 and 2017/18 Corporate KPI sets

<b>Corporate KPI 2017/18</b>	<b>Notes</b>
	Corporate KPI
% of Local Government Ombudsman (LGO) complaints upheld or partially upheld	Previously monitored at Strategy Governance & Law (SGL) DMT, now Corporate KPI
<b>Indicators in development 2017/18</b>	
Carers assessments offered	New in 2017/18, under development (HASC)
Number of people/proportion who successfully cease to be rough sleeping	New in 2017/18, under development (NCH)



<b>Subject:</b>	<b>Madeira Drive Regeneration Framework and Madeira Terraces update</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Director Economy Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Katharine Pearce</b>	<b>Tel: 01273 29-2553</b>
	<b>Email:</b>	<b>Katharine.Pearce@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>Queens Park, East Brighton, Rottingdean Coastal</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 On 4 May 2017 Policy Resources & Growth Committee (PRG) agreed the Madeira Drive Regeneration Framework and noted the 4 point plan for securing funding for restoration and refurbishment of the Madeira Terraces.
- 1.2 On 13 July 2017 Policy Resources & Growth Committee approved a contribution of £100,000 to support the newly launched Madeira Terrace crowdfunding campaign from the i360 reserve; and to earmark a further £1m from the i360 reserve to support the regeneration and refurbishment of Madeira Terrace subject to the approval of a business case.
- 1.3 This report provides a summary of progress on the 4 point plan for securing the regeneration of Madeira Drive including the restoration of Madeira Terrace and specifically progress with regard to the crowd funding campaign completing on 30 November.
- 1.4 A verbal update regarding the final Crowd Funding total will be provided at Committee.

**2. RECOMMENDATIONS:**

- 2.1 That the committee note the success of the crowd funding campaign in raising funds for the restoration of the first three arches of Madeira Terrace, engaging the wider community in the future of Madeira Terrace, raising the profile of the Terrace nationally and internationally, and in galvanising the support of the business community.
- 2.2 That, subject to the final crowd funding target being achieved, the committee authorise the Executive Director of Environment, Economy & Culture to ensure all relevant legal and statutory permissions are in place in order to allow restoration work for the first three arches to begin in 2018.
- 2.3 That the Committee note that work to complete the tender specification for the restoration will take place in consultation with Historic England, Conservation

groups and key stakeholders and will form part of a full tender exercise to take place in Spring 2018.

- 2.4 That the Committee agree that work already underway to submit bids for future funding for the Terrace, including a proposed HLF (Heritage Lottery Fund) bid, be further progressed and regarded as a priority for support within the city.
- 2.7 That the Committee agree that officers will initiate an early soft market testing exercise to continue to assess the capacity of the private sector to deliver a 100% privately financed proposal for Madeira Terrace. If such a scheme were shown to be viable (and deliverable within the parameters of the wider regeneration framework for Madeira Drive) this committee will be asked to agree a formal procurement process. Soft market testing will be carried out during the early feasibility stage of the project.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 In May 2017 PRG approved the Madeira Drive Regeneration Framework which was produced using funds achieved via the Coastal Communities Fund. The framework responded to findings of the Council's Scrutiny Panel in 2015 and looked in detail at the problem of the Grade II Listed Madeira Terrace, identified as one of the most challenging infrastructure issues facing the city and also a Strategic Risk. The report included detailed feasibility work from engineers Mott McDonald and world class architects, Wilkinson Eyre, and conclusions regarding possible development options.
- 3.2 A 4 point plan was also noted at PRG which included four fund raising action points, including:
  - (1) Crowd Funding
  - (2) Further bids for Government or Lottery funding
  - (3) Harnessing local talent
  - (4) Exploring uses for the area now

These are summarised below with their current status.

#### ***(1) Crowd Funding***

- 3.3 The Crowd Funding Campaign was launched on 26 July 2017 with the support of the Tourism Alliance and fronted by VisitBrighton (VB). Spacehive, specialists in Crowd Funding Campaigns, were brought on board to assist VB and work on the campaign.
- 3.4 Spacehive have commented that *"The Save Madeira Terrace campaign is the most ambitious crowdfunding campaign to be run on Spacehive's platform. It has been fantastic to see so many people from Brighton rally behind the campaign by pledging. With just over three weeks to go, 1420 pledges have been made to the campaign, with 95% of these coming from individuals. The campaign currently holds the record for the biggest number of individual pledges to a campaign"*
- 3.5 Over the period of the full campaign, which ends on 30 November 2017, the numbers of backers and public support has been unprecedented. The level of the average pledge at £39.00 in itself has demonstrated just how much importance is



attached to Madeira Terrace by the public and many pledges from individuals have been far in excess of this amount.

- 3.6 Local business support has also built towards the end of the campaign. Generous and notable donations were received, some as high as £25,000, from a range of local businesses, charity and amenity organisations. These larger pledges have helped to raise the profile of the campaign in both press and social media, generating further support during the closing days of the campaign.
- 3.7 In addition to financial support, there have been less tangible, but no less important, benefits from the campaign. Regular Facebook and Twitter feeds have kept the conversation in the public domain, hundreds of ideas and suggestions on the Campaign website have been put forward, and events and fund raisers have been led by various organisations willing to offer support to the campaign. A raffle set up by the Facebook page “Save Madeira Terraces” has received over 500 prize donations from local businesses ranging from free flights to free dinners at local hotels/restaurants.
- 3.8 The public have understood that Crowd Funding cannot restore the whole Terrace but they have got behind the idea of the campaign to use the first three arches as a catalyst for more support. The intention of this ‘pilot’ project will therefore be to assist in delivery of the longer term project in a number of ways:
- (i) By acting as a showcase for the remaining Terrace by providing a physical and strong visual reminder of how impressive the final Terrace will look once restored.
  - (ii) By allowing for a costed ‘mini’ project, relative to the whole Terrace, also providing an important opportunity to test technical solutions. Combined with the conservation of the Terrace the ability to incorporate freestanding commercial “pods” within the arches can also be fully explored (although this is not captured within the scope of the crowd funding).
- 3.9 In light of the above, the ‘pilot’ project will provide for a more robust business case for future bids for funding and a more certain set of technical requirements to act as a benchmark for the larger project.
- 3.10 Finally, the presence of the newly restored arches will help to maintain the profile of the wider campaign. The intention is to provide a brand new space for a changing and diverse range of ‘pod’ occupants. This will help to re-energise the area and to showcase the variety and interest that might be achieved once the remaining 148 arches are restored.
- 3.11 The proposed timescale for the ‘pilot’ project is estimated as follows:
- Project definition agreed, specification developed with key stakeholders, further final survey work: January – March 2018
  - Final tender pack compiled and advertised: April/May 2018
  - Evaluation of Tenders and Tender Award: June/July 2018
  - Start on Site: July/August 2018
  - Completion: subject to final agreed works, but anticipated to be: Dec. 2018 – Feb. 2019

- 3.12 Once fully restored, the newly conserved arches will be a permanent testament to the crowd funding campaign itself and the more than 1700 supporters who have generously dug into their own pockets to show how much they want to see a solution found for Madeira Terrace. This will be hugely beneficial in helping to demonstrate to Government, Heritage and other bodies how much importance is attached to the Terrace by the people of Brighton and Hove.

***(2) Further bids for Government or Lottery funding***

- 3.13 Funding for listed buildings throughout the UK is keenly fought over between local authorities and especially for projects of this stature. National and often international support is needed to achieve the levels of funding required from national government and charitable organisations in order to make inroads into the levels of funding needed. Estimates for the Madeira Terraces are variously stated as between £20m to £24m, and these costs will gradually be firmed up as more feasibility work takes place (and the pilot project paves the way for a more detailed understanding of the risks and costs of future work).
- 3.14 The city has demonstrated its capacity for delivering complex heritage projects: the recent success of the HLF/Arts Council funding bid for restoration work at the Dome and more recently with Stanmer Park, have shown that with the right business case and demonstrable support from the business community and others, these kinds of projects can be successful.
- 3.15 Developing sound commercial propositions, evidence based business cases and using the considerable community support available, alongside tangible economic and educational outcomes, continues to be the challenge with attracting the interest and confidence from funding bodies such as HLF.
- 3.16 The work to build the strategic and business case for the Terraces began with the Madeira Drive Regeneration Framework, and more recently work has started to build a case both for Heritage Lottery Funding (HLF) and other potential funding sources via the following:
- (i) Appointment of specialist conservation project managers “Piece Regen” to lead dialogue with HLF at the appropriate time. Submission of project particulars and Project Definition documentation will begin the process of formal bidding to the Heritage Lottery Fund. This will be submitted following PRG and once the result of the Crowd Funding Campaign is known. See Appendix One.
  - (ii) Further work on the business case to support the commercial viability of proposals to provide business units within the arches. This has involved working with officers producing the Cultural Framework and dialogue with in-house property and external property advisers. The aim is to ensure that the assumptions regarding types and sizes of businesses are robust. A final business case will be needed for later stages of the HLF funding proposals.

- (iii) Further work to understand how to achieve greater permeability and access to the Terraces and how future movement and access will link with the Waterfront development at Black Rock. People and vehicle movement is one of the key components of a successful strategy for the Madeira Drive Regeneration Framework, and will be needed to support the Business Case.
  - (iv) The option to develop a Trust vehicle will need to be considered along with any other possible funding structures. The ability to access charitable trusts (who require non Local Authority owned assets to make an award) will need to be weighted fully against other factors.
- 3.17 Bringing together the skills and expertise of the private, voluntary and public sector will be the key to unlocking the future strategy for the successful delivery of the Madeira Terrace restoration.
- 3.18 The involvement of the private sector will also form part of any formal HLF submission. The delivery of the wider regeneration framework will require funding bodies to have confidence in order to invest. For this reason it is suggested that officers continue to openly engage with the private sector to see if developers are able to generate their own ideas to achieve the capital injection needed to revive the arches, guarantee future investment in their upkeep, and be acceptable in planning and heritage terms.
- 3.19 This ongoing market testing process would be as well as, not instead of, continuing to work through the HLF bid process. Any private funded scheme delivered with a development partner may well still require a bid for HLF funding. If the soft market testing shows there are viable options with the private sector then officers would return to PRG before going out to a formal procurement. If the soft market testing is unsuccessful then this evidence will help to bolster any bid to the HLF as it will show the city council has tried to pursue this project without public money, but a scheme has not proved viable or deliverable.
- 3.20 How the overall proposition is structured to offer an appropriate balance of risk will need to be evaluated and proposals agreed by PRG at the appropriate time. Retention and restoration of the Terraces requires creative solutions and significant funding, balancing competing demands in terms of deliverability, viability, planning and heritage and community and stakeholder needs. A future funding bid to HLF will need to work through these aspects and show how these have been considered. A Project Team has now been established to progress this work and a Steering Group of Senior Managers will oversee.

### ***(3) Harnessing local talent***

- 3.21 The Crowd Funding Campaign has generated many offers to assist from a range of individuals and businesses. Some of the offers arising from the crowdfunding campaign have been 'in-kind' offers of work from local businesses – including technical and engineering expertise from qualified local businesses. The officer team will try where possible to take such offers up and focus the considerable energy and enthusiasm.

#### ***(4) Exploring uses for the area now***

3.22 Any future vision for the Terraces and the wider environment of Madeira Drive will need to consider the role of this part of the seafront in the Brighton Waterfront project. The Madeira Drive Regeneration Framework proposed a number of key principles to drive development of the area, which the Madeira Terrace project will need to address or complement. These goals for Madeira Drive include:

- Addressing severance – the Madeira Terrace has a key role in tying together elements of the Seafront and the Waterfront Project and can also contribute to building improved access from east Brighton to the Seafront.
- Transforming the public realm along Madeira Drive
- Redeveloping and reactivating Madeira Terrace
- Developing an anchor tenant that will draw people along Madeira Drive, specifically Brighton Waterfront at Black Rock
- Encouraging a variety of temporary uses
- Reinforcing a role for Madeira Drive as outdoor events space

3.23 The Council has also received some initial contact from a number of developers who are interested in the potential delivery of the project with some private investment. This has included local architects who have developed outline designs and developers who propose mixed use development to generate a commercial return. Officers are proposing to initiate a soft market testing exercise to continue to assess whether private development partners might be able to deliver a project that requires less, or no, grant funding. If such a scheme with a sound business case can be demonstrated, this committee will be asked to agree a formal procurement process for such a partner. This soft market testing will be carried out throughout the early feasibility stages of this project.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 A do-nothing option would lead to further decline in the arches. The recommendations set out in this report do not rule out future options of working with a variety of partners to maximise the resources brought to bear for this project. This will include the private sector.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 Community engagement has been a significant part of the crowd funding campaign. The Spacehive platform has generated enthusiasm and ideas as well as generating funds and raising the profile of the project. On completion of the campaign, further work to continue this momentum will need to take place, including consultation via the Seafront Stakeholder Group which will be enlarged to capture those individuals and groups who have shown their considerable support for the campaign. The council will work with Spacehive to progress these further.

5.2 Meanwhile uses will also be generated as part of English Tourism Week (17-25 March) and this will allow more opportunity for volunteers to take part.

## 6. CONCLUSION

- 6.1 The crowd funding campaign has shown the importance attached to the Madeira Terrace by the public. This momentum can now be used to garner other support. If restoration of the first arches proceeds as anticipated, this will be a permanent and impressive showcase for future funding.
- 6.2 The crowd funding initiative will also act as a catalyst for HLF and any other bids for funding.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### 7.1 Financial Implications:

In July this year, this committee approved an initial contribution of £100,000 towards the Crowdfunding campaign target of £430,000. If this target is not met then none of the funds pledged will be available to support the restoration of the first 3 arches.

*Finance Officer Consulted: James Hengeveld*

*Date: 08/11/17*

### 7.2 Legal Implications:

The contracts referred to in this report will be procured in accordance with the Council's Contract Standing Orders and the Public Contracts Regulations 2015 (PCR 2015). The pre-market engagement will also be carried out in compliance with the PCR 2015.

*Lawyer Consulted: Alice Rowland*

*Date: 08/11/17*

### Equalities Implications:

### 7.3 None

### Sustainability Implications:

### 7.4 The project to deliver restoration of the first three arches will be used as a test bed to explore the best way to balance restoration objectives with future maintenance and sustainability impacts.

### Any Other Significant Implications:

### 7.5 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- 1. Draft HLF Project Definition document

### **Documents in Members' Rooms**

1. Seafront Investment Plan
2. Madeira Drive Regeneration report

### **Background Documents**

1. None

**Project Definition Document V3**

for

**The Madeira Terrace, Brighton**

**November 2017**

Contents

1.0 The Project .....2

2.0 The Heritage.....6

3.0 Next Steps .....17

Appendix A .....22

Appendix B.....25

Appendix C.....33

Appendix D .....42

DRAFT



## The Madeira Terrace

### 1.0 The Project

Our vision is:-

**“To transform the Madeira Terrace into a world class, must-visit heritage destination on the South Coast, offering a unique insight into its place in history combined with shopping, eating and drinking together with workspaces for creative businesses to flourish, all forming a grandstand to an open public events area.”**



The objectives are:

- To deliver the refurbishment of Madeira Terrace bringing it back into use with a mixture of leisure, retail and community uses
- To stimulate new private sector investment to support growth sectors in the local economy
- To protect and enhance a key heritage and visitor asset as part of Brighton & Hove's overall £1bn seafront investment plan

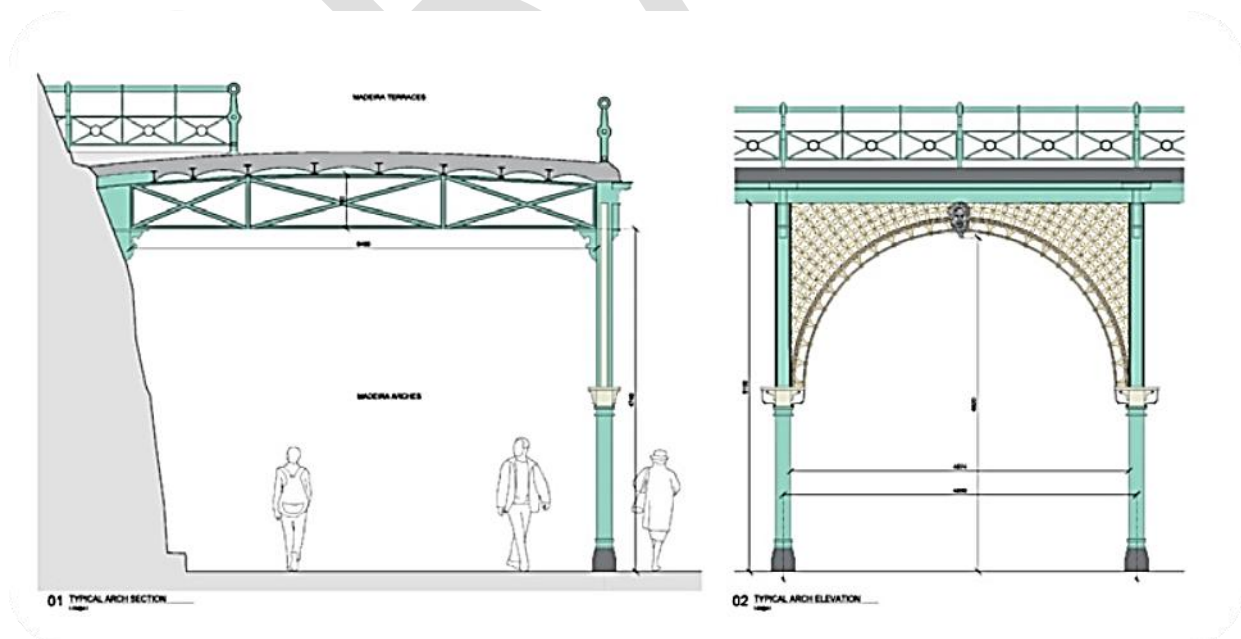


**The Madeira Terrace**

This project is currently being led by Brighton and Hove Council as the owners of the Madeira Terrace. However, it is the aim of the Council, in due course, to form a suitable vehicle to manage the operation of the restored Terrace in a sustainable manner.

The issues that need to be addressed are:-

- The structure is heavily corroded, most severely in the steel I-beams and bolted connections.
- The concrete jack arch deck is insufficient to prevent water penetration through the structure. It is also experiencing cracking and spalling in most bays.
- A small number of the cast iron lattice beams appear to have fractures that are considered to be severe. Additionally, a few of the cast iron edge beams appear to have various cracks and fractures.
- The cast iron spandrels appear to have a few fractures and are seen to be separating at the edge plates along the sides against the column and along the top against the edge beam bottom flanges. There are also missing decorative mask elements from the spandrels.
- Most other cast iron elements exhibit corrosion, rust staining and bulging to various degrees.
- The drainage system is generally blocked with sections missing, broken and/or misaligned, preventing water runoff from off the structure.
- The masonry piers feature a number of cracks to both the brickwork and mortar which have become covered in moss and vegetation. There are also several displacements of brick courses that have led to loose bricks that pose risk of falling.



- The green wall is overgrown and rooting into the cracks of the retaining wall.

## The Madeira Terrace

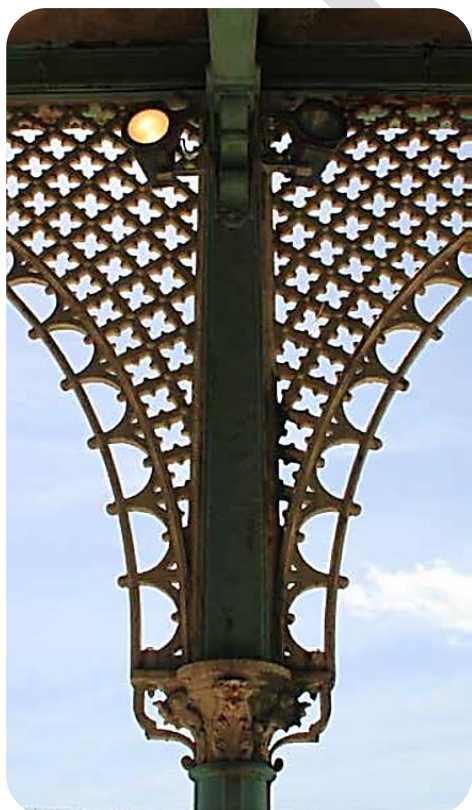
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- Currently, there are a number of barriers which limit access and which dissuade residents and visitors alike from engaging with the area.
- There are currently two rows of car parking that visually separate the terraces from the beach implying that the public realm is a vehicle priority.

Brighton and Hove Council have produced 'The Madeira Drive Regeneration Strategy' which has found:

- Madeira Drive is cut off from much of the city by the change in levels between it and Marine Gardens which requires a significant effort for pedestrians and cyclists, especially when travelling from the north.
- Access to the Madeira Lift is not ideal. It is only partially visible to the public and not open all the year round.
- There is room for improvement in the access to Madeira Drive by public transport. There are no bus services along the road itself and while there is some stair access from Marine Parade, many of these remain closed. The public realm along Madeira Drive has a tired and inconsistent look. There is minimal street furniture, shelter from the elements or appropriate facilities to encourage the use of Madeira Drive.
- The future vision is a 'seafront for all' that features diverse and engaging attractions that entice and excite both residents and visitors.

It is important to provide an attraction which is used throughout the year developed in keeping with the area's heritage, culture and environment but also acknowledging the commercial drivers that are needed to turn the vision into reality.



Improved accessibility to and along the seafront has been a recurring theme throughout this investment plan.

There are a number of key projects which rely on transport solutions in order to unlock development. To optimise success, improvements to seafront accessibility require a comprehensive approach which considers each transport mode, as well as various demands from different users of the space along the seafront.

Accessibility along the length of the seafront is not currently optimised. An integrated seafront transport solution is required to realise the full benefits of the assets of the seafront. The Council has plans to progress with this scheme as included in the approved City Plan Part 1. Going forward, it has been recognised that the Strategic Development Board should undertake a holistic approach to transport infrastructure to ensure these assets are fully aligned and optimised.



## The Madeira Terrace

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The redevelopment of Madeira Terrace is expected to bring significant economic benefit to Brighton & Hove, supporting the City's strengths in the visitor economy, arts and cultural sectors and the digital economy. Overall, the Lockwood Project is expected to contribute around £5 million to the local economy (in gross value-added terms) and create around 100 new net jobs. The project has substantial stakeholder support including from the local community, local political leaders and heritage officials. This project is an important element of the strategic skills agenda as it sits within Kemptown and Whitehawk which are the most deprived areas of the town in terms of access to the seafront.



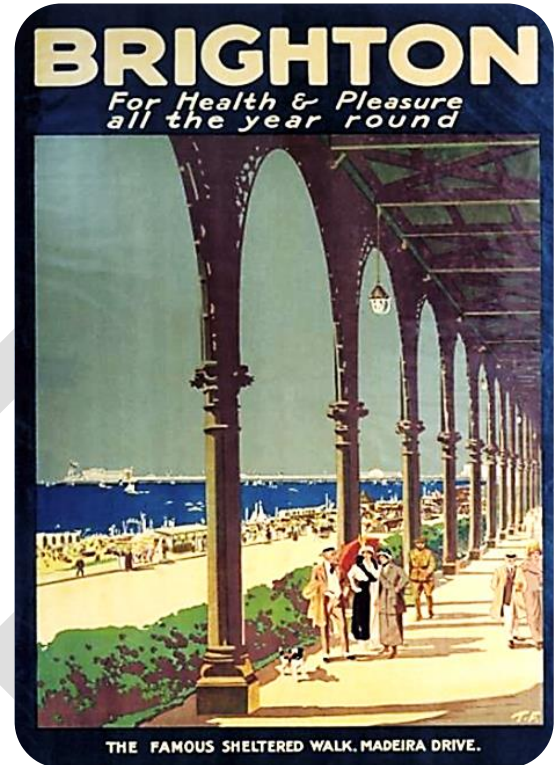
## The Madeira Terrace

### 2.0 The Heritage

The Madeira Terrace is believed to be the longest cast iron structure in the world. At 2.5km it is a unique part of Brighton and Hove's seafront.

The Terrace came about as a result of the arrival of early visitors on the back of Dr Russell's book on the benefits of seawater, which led to visits by the Prince Regent and his fashionable entourage. This was followed by the arrival of the railway and the development of Victorian piers, hotels, theatres and attractions and ultimately to the development of the Brighton Centre 30 years ago.

The Madeira Terrace was constructed as a Victorian seaside covered arcade built between 1890 and 1900 under the charge of the borough surveyor, Phillip C Lockwood to attract tourists from London using the new railway connection. Besides being Grade 2 Listed, they also sit within the East Cliff Conservation Area (*the Listing description is included in Appendix A*) and are of significance because:-



#### Evidential Value

Whilst it is not known who was the actual designer of the terraces, it is known that they were commissioned by Philip Lockwood, the Borough Surveyor. It is thought to have been an 'in house' design.

The green wall which sits behind the Terrace, is celebrated on a plaque 'established by the Victorians, this is one of the oldest, longest and most important green walls in the country - a place for wildlife and people to enjoy.'

#### Social Value

The Madeira Terrace was conceived as a communal facility, a space to promote public interaction, promote Brighton as Britain's number one coastal destination, the ideal of wellbeing and to celebrate the city and its emerging Regency commerce and residential developments.

**The Madeira Terrace**

The kilometre straight 'drag' of Madeira Drive has history and association through the regular events staged around it from the National Speed Trials, the London to Brighton cycle ride and the veteran car run which is the world's longest running motoring celebration. Modern history is steeped in the Mods and Rockers and several films including Brighton Rock and Quadrophenia.

**Community Value**

The Madeira Terrace is highly valued by many sectors of the community. A recent crowd funding campaign has the financial backing of some 1500 supporters with individual contributions of up to £25,000. The target of £425,000 will be used to restore at least three arches. It will also help the community to reimagine how all 151 could be used, unlocking £1m from the council, and proving a strong public mandate for future funding applications.

The Madeira Terrace forms a natural viewing platform for events. Such events include: -

- Children's Parade
- Brighton Marathon
- Burning the Clocks
- Brighton & Hove Half Marathon
- Brightona
- National Speed Trials
- Classic Car Run
- Veteran Car Run
- Historic Commercial Vehicle Run
- Brighton Breeze
- Land Rover Run
- Ace Café Reunion
- Do It for Charity Bike Ride
- BHF London to Brighton Bike Ride
- Mini Run
- InCarNation
- Brighton's Big Screen





## The Madeira Terrace

### Risk Status

Whilst the Madeira Terrace is not currently on the 'at risk' register, unless remedial action is taken, the Terrace may well become 'at risk' and the Victorian Society considers the Madeira Terrace to be one of the Top Ten Most Endangered Victorian and Edwardian Buildings in England and Wales.



## The Madeira Terrace

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### 2.1 What Our Project Will Do

#### 2.1.1 Proposed Uses

The proposal is to create a new destination for Brighton which will:-

- Make a new home for the creative industries for which Brighton is well known
- Create restaurants and bars
- Provide an improved public realm space for events
- Create a heritage interpretation and learning facility with stories to a wide audience and that will relate to the National Curriculum





## The Madeira Terrace

### 2.1.2 The Creative Industries of Brighton

A recent study by the University of Sussex and the University of Brighton estimated that the digital and creative sector contributes £1bn a year to the local economy.

Brighton & Hove is recognised as the creative hub on the south coast, a city that hosts the largest cluster of creative industries and organisations in the south east outside London. It is recognised in the Regional Economic Strategy as a 'Diamond for Growth' and seen as a catalyst for regeneration and prosperity on the wider south coast.

A much higher proportion of Brighton & Hove's GVA comes from art and cultural services than in the rest of the UK. Around 1.4 per cent of GVA in the city (£76 million) comes from these services, compared to 0.4 per cent nationally. The city has a much higher than average concentration of employment in cultural services sectors. This contributes significantly to the clustering of skilled workers over time, driving productivity benefits in other areas of the economy.

The creative industries cluster in Brighton & Hove provides nearly 16,000 jobs and 10.7% of employment in the economy. Approximately 1500 businesses are in the creative industries sector, a third of which are in the new media and digital sub-sector.

Almost one-third of all creative businesses in the city currently occupy residential accommodation, usually their own. The development of live/work schemes, particularly in the social rented sector, offers significant potential to secure workspaces long-term.



Given this economic context, Brighton & Hove is in a good position to capitalise on its strengths and support the regeneration of its seafront, including through the redevelopment of the currently under-utilised, but strategically located Madeira Terrace and associated facilities.

### 2.1.3 Restaurants and Bars

There is a good fit between the Creative Industries and restaurants and bars. A recent survey conducted by Greggs and the University of Stirling into the coffee culture in Brighton revealed that Brightonians are the "biggest coffee drinkers in the UK", describing the use of cafés in Brighton as temporary workspaces due to access to free Wi-Fi.

What Brighton freelancers frequently use cafés for is meetings, especially with clients. This is regarded as a key passage point in securing work "you can be emailing back and forth for ever, but if you don't have the coffee with the client to talk about the project it's not going to happen" one freelancer advised.

## The Madeira Terrace

### 2.1.4 Improved Public Realm

The proposed improvements to the public realm of Madeira Drive and the attractions that run along it are intended to compliment the area's ongoing role as Brighton and Hove's premier events space. These investments would improve access to these events, offer more reason to congregate along Madeira Drive and provide a reason for visitors to dwell in the area for longer.

The redeveloped Madeira Terrace would once more offer an unmatched grandstand facility for major events.

It is intended to use some of the Terrace for Heritage Interpretation and Learning which will attract as wide an audience as possible. Such a facility could also provide an orientation centre for the Brighton Seafront. Brighton and Hove's Seafront plays a key role as a flagship destination offering over 13km of entertainment and activities. The nearby Brighton Palace Pier is one of the primary attractions along the seafront attracting over six million visitors a year.

There are a variety of themes that could be explored, which will be subject to an activity planning exercise.



### 2.1.5 The Need and Opportunity that Our Project will address

The project is currently managed by Brighton and Hove Council but it is intended that on completion, it will be put into a separate not for profit organisation.

Madeira Terrace is a key priority of the Brighton and Hove Seafront Investment Plan 2016-2021.

Brighton & Hove's seafront is the face of the city and central to its economy. Brighton & Hove's unique character combines heritage Victorian infrastructure (over 476 Grade I and II Listed buildings) and a varied and vibrant range of businesses (over 100 housed within the seafront arches alone). The city plays host to over 300 outdoor events each year with many of them hosted on the seafront's Madeira Drive, such as the Brighton Marathon, veteran car runs and London to Brighton bike rides.

The seafront plays a key role as a flagship destination for the city, attracting visitors and investment alike.

The adopted City Plan was published in early 2016. Within this the seafront is recognised as the 'shop window'

For the city and is covered by Special Area Policy 1 (SA1)32.

The city plan set out that the Council will work in partnership to ensure the on-going regeneration and maintenance of the seafront in an integrated and coordinated manner.



## The Madeira Terrace

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Proposals should support the year-round sport, leisure and cultural role of the seafront for residents and visitors whilst complementing its outstanding historic setting and natural landscape value.

The priorities for the whole seafront (in addition to some site-specific seafront priorities) are to:

- Enhance and improve the public realm and create a seafront for all; to ensure the seafront is accessible to everyone.
- Promote high quality architecture, urban design and public art which compliments the Natural heritage of the seafront.
- Secure improvements to sustainable transport infrastructure along the A259.
- Monitor, conserve and expand designated coastal habitats.
- Work in partnership with the Department for Environment, Food and Rural Affairs, the Environment Agency, Natural England and Southern Water.
- Encourage consideration of low and zero carbon decentralised energy.

There are several key seafront projects which are already underway or remain Council priorities for development, and will bring the amount of potential investment along the seafront to over £1 billion in future years.

The projects are wide-ranging. Collectively they will enhance the heritage offer (e.g. the regeneration of the Volk's Electric Railway), provide improved recreational facilities (e.g. redevelopment of the King Alfred Leisure Centre and the restoration of the Saltdean Lido), improve pedestrian and cycle infrastructure (e.g. the West Street Shelter Hall works) and add to Brighton & Hove's visitor attractions (e.g. the British Airways i360).

All of these projects share some common "success factors" including:-

- A strong business case setting out the project's strategic merit and its economic benefit to the seafront and wider city.
- An appreciation of the seafront's unique heritage.
- A robust financial and commercial strategy capable of attracting external investment.



**The Madeira Terrace**

The detail of the associated projects is included in Appendix C.

However, they include:

1. Shoreham Harbour
2. King Alfred Leisure Centre
3. British Airways i360
4. Waterfront Central
5. The former West Street Shelter Hall
6. Brighton Zip
7. Volk's Electric Railway
8. Former Peter Pan Leisure Site
9. Waterfront East (Black Rock Development)
10. Brighton Marina
11. Saltdean Lido

**Why is it essential for the project to go ahead now?**

The repair and creative reuse of the Madeira Terrace needs to go ahead now because:-

- From a practical point of view, the Terrace is classed as an unsafe structure
- The timing fits in well with the seafront regeneration strategy.



## The Madeira Terrace

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- Any further delay will lead to greater cost as a result of further deterioration of the structure.
- It will complement the other strategic projects.
- It will provide a much needed destination for the creative industries.
- The crowdfunding campaign and community support is gathering momentum. In May 2017 The Council approved the Madeira Drive Regeneration Framework.

A 4 point plan was approved by the Council with four fund raising action points, including:

- (1) Crowd Funding
- (2) Further bids for Government or Lottery funding
- (3) Harnessing local talent
- (4) Exploring uses for the area now

The Crowd Funding Campaign was launched on 26 July 2017 with the support of the Tourism Alliance and fronted by VisitBrighton (VB). Spacehive, specialists in Crowd Funding Campaigns, were brought on board to assist VB and work on the campaign.

Spacehive have commented that “The Save Madeira Terrace campaign is the most ambitious crowdfunding campaign to be run on Spacehive's platform. It has been fantastic to see so many people from Brighton rally behind the campaign by pledging. The campaign currently holds the record for the biggest number of individual pledges to a campaign”

Over the period of the campaign, the numbers of backers and public support has been unprecedented. The level of the average pledge at £39.00 in itself has demonstrated just how much importance is attached to Madeira Terrace by the public and many pledges from individuals have been far in excess of this amount.

Local business support also built up as the project received more publicity towards the end of the campaign. Generous and notable donations were received from a range of local businesses, up to £25,000, and some charity and local amenity organisations, and these helped to raise the profile in the press locally, generating a greater response in the closing weeks of the campaign.

## The Madeira Terrace

The Crowd Funded project to restore the first three arches will greatly assist in delivery of the longer term project in a number of ways:

(i) It will act as a show case for the remaining Terraces by providing a physical and strong visual reminder of how impressive the final Terraces will look once restored.

(ii) It will act as a test of the assumed costs for the remaining terraces, also providing an important opportunity to test technical solutions which combine conservation of the Terrace with the ability to incorporate future freestanding commercial “pods”.



In light of the above, it will provide an important basis for a more robust business case for future investment decisions.

Finally, the presence of the newly restored arches will help to maintain the profile of the wider campaign. The intention is to provide a brand new space for a changing and diverse range of occupants to occupy. This will help to re-energise the area and to show case the variety and interest that might be achieved once the remaining 148 arches are restored.

Once fully restored, the newly conserved arches will be a permanent testament to the crowd funding campaign itself and the more than 1500 supporters who have generously dug into their own pockets to show how much they want to see a solution found for Madeira Terrace. This in itself will be hugely beneficial in helping to demonstrate to Government, Heritage and other bodies and individuals how much importance is attached to this historic structure by the people of Brighton and Hove.



**Why do we need lottery funding?**

At this early stage in the Project we see that the first step is to test the appetite for the Madeira Terrace with the HLF. A list of other projects that HLF are involved with in the area is included in Appendix D.

An HLF major grant is core to the proposals and securing this funding is the key driver for the project at this stage of its development.

The funding strategy structure and that of the business case must be interrelated and the business needs should inform and drive the funding strategy. The governance strategy will influence some grant prospects

**Strategic Context**

The significant heritage merit of the Madeira Terrace and the proposals currently being firmed up for the much-improved public offer in terms of access, participation and learning, mean that it is possible for a high quality scheme that the HLF may support.

It is proposed to investigate the following funding sources:-

Fundraising: Trusts, Foundations, Corporate and Benefactors

It is intended to employ a professional fundraiser to propose a fundraising. There are a number of high profile bodies that support events around the Terrace and we intend to approach them all.

Brighton and Hove Council

Brighton and Hove Council will need to underwrite the shortfall and make an appropriate contribution. The Council will need to review the match funding needs for the project and will consider its contribution through various mechanisms such as an increased capital contribution, prudential borrowing and the use of section 106 monies.

Commercial Funding

There are a number of high profile property developers and funds who have invested in Brighton and who would benefit from the restoration of the Madeira Terrace. We intend to raise awareness of this project to this audience. In addition, there are a considerable number of sponsors who contribute to events around the Madeira Terrace.



## LEP

A structured approach will be made to Coast and Capital, the Local Enterprise Partnership.

### 3.0 Next Steps

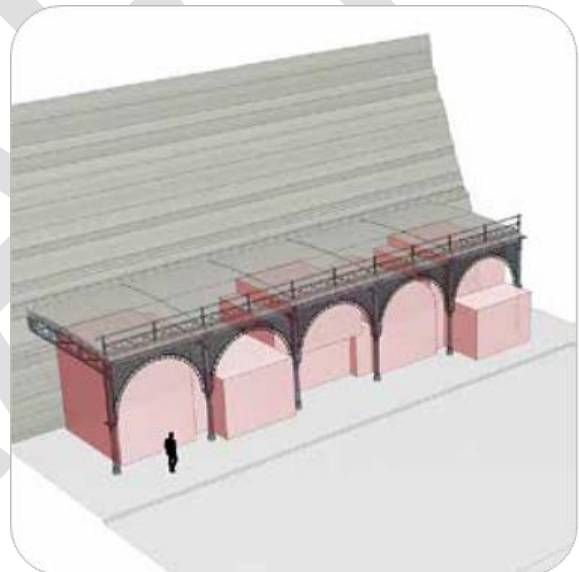
#### 3.1 What work and/or consultation have we undertaken to prepare for this project?

Three options have been considered in terms of the repair of the Terrace.

##### Option 1 - A full restoration of the Arches

This would permit access through and over the arch components. This would involve both repair work and replacement work to the component pieces to restore them fully to their original built design. Replacement may be the only option for structural components that have completely failed.

We would propose that the steel deck beams and concrete jack arches are completely replaced, given they are largely concealed by the wearing course that is laid over the top. We do not believe it would be economically viable to restore the entire extents of Madeira Terrace and this would very much be a phased plan of works.



##### Option 2 - A Propped Structure

This proposal would introduce secondary means of support to the replacement jack arches and steel deck beams, taking the loading off the edge beams, columns and array of bolted connections.

It may be possible to integrate the secondary support structure with the 'pod' structures to be introduced into the arches. The propping augments with the existing.

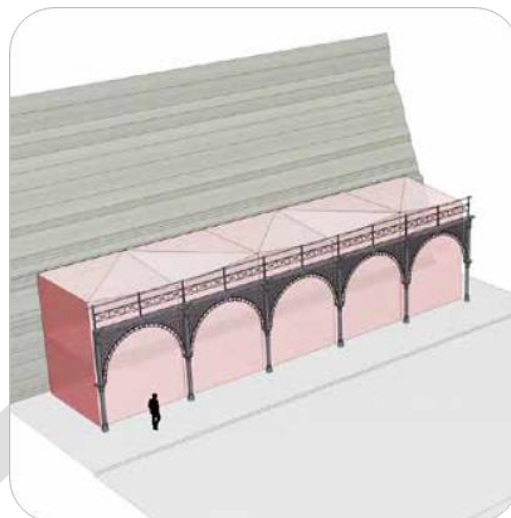




**The Madeira Terrace****Option 3 - Restoration and retention of the screen only**

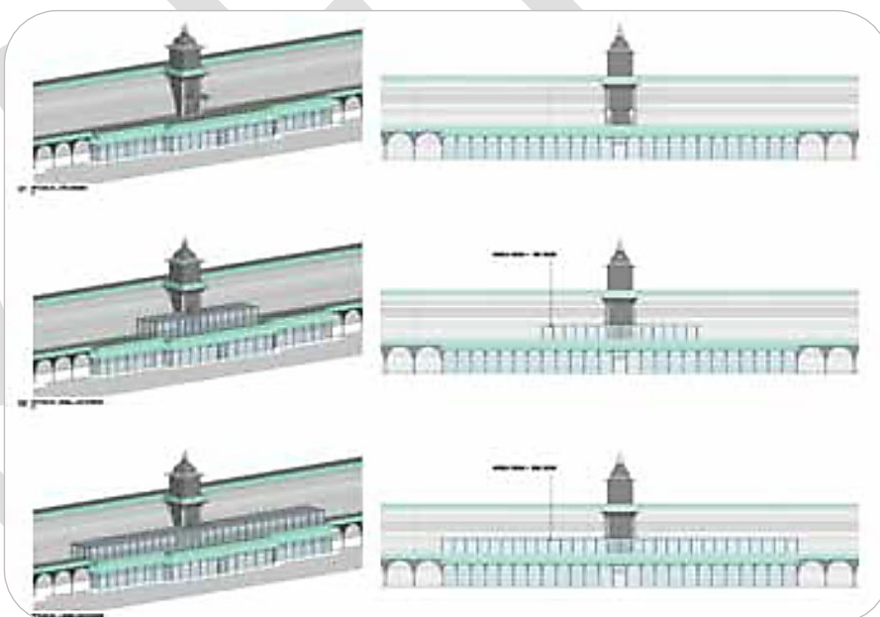
This option proposes that the deck structure and components are not retained, repaired or replaced but removed and that only the façade of the arches are kept – the spandrels, columns and lattice beams.

This naturally assumes that there would be no high-level route maintained. The lattice beams could also be retained in this diagram.

**3.2 Madeira Drive Shelter Hall**

We recognise that the Madeira Drive Shelter Hall footprint offers an opportunity to establish a significant business anchor within Madeira Terrace. This is quite possibly the most important catalyst that will stimulate the organic growth of uses within the Terrace and then become the 'staging post' to the new arena and conference centre at Black Rock & the marina.

We believe there is the opportunity for a successful intervention at first floor level, expanding the footprint of this build form and augmenting the accommodation at ground floor, also activating the raised walkway to the east and west.



We propose to construct a series of free-standing Pods within the Terrace to accommodate a range of potential end users. These elements could be constructed in-situ or prefabricated. They would not impose any load on the terrace and would not project beyond the column line.

These units could be single height or accommodate mezzanine structures.

**3.3 What consultation has been carried out and how has this shaped our proposals?**

The consultation process is ongoing and we shall produce a stakeholder analysis for the Round One bid. The following organisations are being consulted:-

## The Madeira Terrace

- Regency Society
- Sea Life Centre
- Standard Life Investments
- Tourism Alliance
- Victorian Society
- Volks Electric Railway Association
- Yellow Wave
- The Princes Trust
- Various investors in the town



### 3.4 Project Outcomes

The following broad project outcomes are predicted:-

- The restoration will result in a sustainable management and maintenance plan
- The creative reuse of the historic asset.
- The proposals will provide a heritage and interpretation facility which will have various themes which will be developed as a part of the project development.
- The Madeira Terrace will have a signing strategy to raise awareness of their location and the experience available.
- The aim of the project is for the reuse of the Madeira Terrace as a much-needed hub for the creative industries of Brighton.
- It is intended to team up with FE and HE institutions to develop skills varying from building restoration, enterprise, business management and travel and tourism.
- The project will provide volunteering opportunities in terms of heritage interpretation and learning.
- The reuse of heritage assets reduces environmental impacts.
- The Madeira Terrace will be a part of a more sustainable travel plan
- The restoration and creative reuse of the Madeira Terrace will form a new destination
- The project will provide opportunities for volunteers in the Heritage interpretation and learning facility.



## The Madeira Terrace

- The heritage interpretation and learning centre will provide learning themes for as wide an audience as possible including themes from the National Curriculum
- The Madeira Terrace will provide a new destination for people to visit, enjoy, work, create, learn and socialise.
- The restored Madeira Terrace will provide a complimentary visitor attraction to the existing Brighton offer.

### 3.5 The Financial Overview

Following the production of an initial cost plan and rental figures as advised by Brighton and Hove Council, we have carried out the following appraisal. We have considered phasing the project but in order to have the impact that the heritage deserves, we would prefer to develop the scheme in one phase, subject to funding being available.

### 3.6 Viability Calculation

	Section 1	Section2	Section3	Total
<b>Repair Costs</b>				
Enabling	49,000	49,000	45,250	143,250
Restoration of terrace structure	1,253,048	1,253,048	1,140,514	3,646,610
Replacement of deck	1,121,949	1,121,949	1,037,091	3,280,989
Abnormals	0	0	0	0
Contingency and inflation	1,393,919	1,687,628	2,309,158	5,390,705
<b>Totals</b>	<b>3,817,916</b>	<b>4,111,625</b>	<b>4,532,013</b>	<b>12,461,554</b>
<b>Conversion costs</b>				
Construction-Pod Installation	2,101,743	2,586,430	2,327,376	7,015,549
Concorde 2 refurbishment	1,058,000			1,058,000
<b>Totals</b>	<b>3,159,743</b>	<b>2,586,430</b>	<b>2,327,376</b>	<b>8,073,549</b>
<b>Total Cost:</b>	<b>6,977,659</b>	<b>6,698,055</b>	<b>6,859,389</b>	<b>20,535,103</b>
<b>Area sq m</b>	<b>1,170</b>	<b>1,560</b>	<b>1,410</b>	<b>4,140</b>
Mezzanine	702	936	846	2,484
Total floor area sq m				6,624
<b>Total floor area sq ft</b>				<b>71,302</b>
<b>Rental income</b>				
Ground floor @25 per sq ft				1,114,101
Mezzanine @ £8 per sq ft				213,907
<b>Total Income</b>				<b>1,328,009</b>
Capital value @12% yield				11,066,738

### 3.7 Conservation Deficit Calculation

We have considered the conservation deficit based on a starting value of zero. The shows a conservation deficit in the order of £14m which is the reason why external funding is needed to carry out the project.

## The Madeira Terrace

Conservation Deficit Calculation	Values
Starting value of property	0
Costs	
Repair	12,461,554
Conversion	8,073,549
<b>Total</b>	<b>20,535,103</b>
Finance @6.5%	1,334,782
Subtotal	21,869,885
Fees @15%	3,080,265
Subtotal (capital costs)	24,950,150
Final value of property	11,066,738
Increase in Value	11,066,738
<b>Conservation deficit (total capital costs-increase in value)</b>	<b>13,883,412</b>

### 3.8 Programme

The target key dates are:-

- **HLF Round One Submission:** March 2018
- **HLF Round Two Submission:** March 2019
- **Start on Site:** January 2020
- **Completion:** October 2021

### 3.9 Key Next Steps

- Assess feedback from the Project Enquiry
- Procure consultant team for the Round One Submission
- Examine other sources of funding
- Assess market demand
- Establish Communications strategy
- Set up internal decision-making structure
- Carry out stakeholder analysis
- Develop detailed programme.

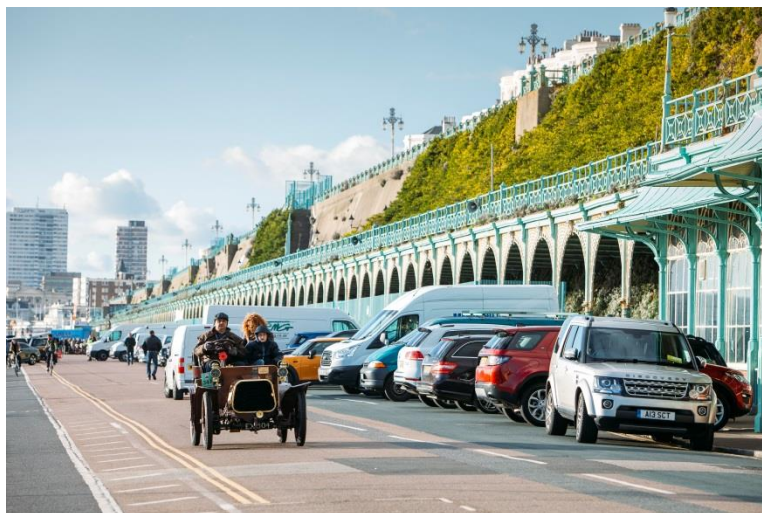
**Appendix A**  
**Listing Description**



## The Madeira Terrace

The Listing description states:-

*“Arcade with raised walkway, associated buildings and lift tower. Built between 1890 and 1897 by the borough surveyor, Philip C Lockwood. Cast-iron and brick in English bond. PLAN: complex is 2,837 feet long, from the Colonnade, Madeira Drive (qv) to Duke's Mound; 25 feet wide for most of its length; at a point south of Marine Square, the terrace is interrupted by a single-storey structure with a 25-window range, designed as a cafe and waiting room, from the centre of which rises the 3-stage lift tower to Marine Parade. EXTERIOR: each bay of the entirely cast-iron arcade has an identical elevation: round arches carried on single columns of a fanciful marine order; scalloped-arch intrados; spandrels formed by concentric rings of quatrefoils, forming a pierced sun screen; keystone cast to resemble either a female or a bearded male deity, perhaps*



*Venus and Neptune; orthostats support entablature topped by balustrade which encloses the raised terrace walk; the latter supported by cast-iron trusses fixed to sea wall facing of East Cliff; shallow, segmental vaults span trusses. The single-storey structure at the centre of the arcade has an 11-window range centre bay which projects forward one bay in depth. All window range elevations of this structure identical: columns on panelled socle chamfer to bell capital, from which rises a bracket support for concave metal roof; lower spandrel of each window of brick in English bond; one round-arched window with original glazing bars forming a pattern in the head; window spandrels of cast-iron tracery to match roof brackets. Lift entered from this structure; the tower emerges on the terrace above and rises in 3 stages to Marine Parade. Exit on the terrace stage, not in use at time of writing, faces south; upper level exit faces north. The tower shaft is square in plan, brick in English bond, with octagonal corner pilasters. The lower, south-facing exit (not in use at the time of writing) is set under a porch supported on cast-iron Composite columns; pierced cast-iron bracket to each column supports shallow concave metal roof which in turn supports a light register roof, also of metal. One slender, round-arched window in each tower return. The entablature of the lower brick stages supports a square platform with railed walkway on 3 sides; these railings are extensions of the railings along Marine Parade (qv). The Marine Parade stage of the lift tower is square in plan, with octagonal corner piers, strutting out from each of which are pairs of thin colonnettes and a concave metal roof with broad eaves; the lower roof is topped by a convex mansard covered in metal, fish scale tiles; at each corner of the lower roof is a dragon; the cap of the structure is highly ornamented and supports a weather vane consisting of a globe by dolphins. The infill walls of this structure and roof soffits are of wood and glazed; the armature and detailing are all of metal, much of it cast-iron. Throughout the complex stairs along the sea wall connect the terrace and covered walkway; there are stairs between the terrace level and Marine Parade and linking the structure*

## The Madeira Terrace

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*with the Colonnade to the west. At the west end of the long complex, the arcading is filled in with brick in English bond relieved by blue brick diapering; the spaces enclosed form storage areas and public conveniences. At either end of the terrace are long, arcaded ramps. HISTORICAL NOTE: the complex was added under the terms of the Brighton Improvement Act of 1884; the terrace was open to the east of the Royal Crescent (qv) by 1890, when controversy prevented its completion to the west. In 1927-29 it was extended to the east by the Colonnade, Madeira Drive (qv) which linked the original terrace with the Aquarium Sun Terrace just then completed.”*

DRAFT

**Appendix B**  
**Condition Survey**



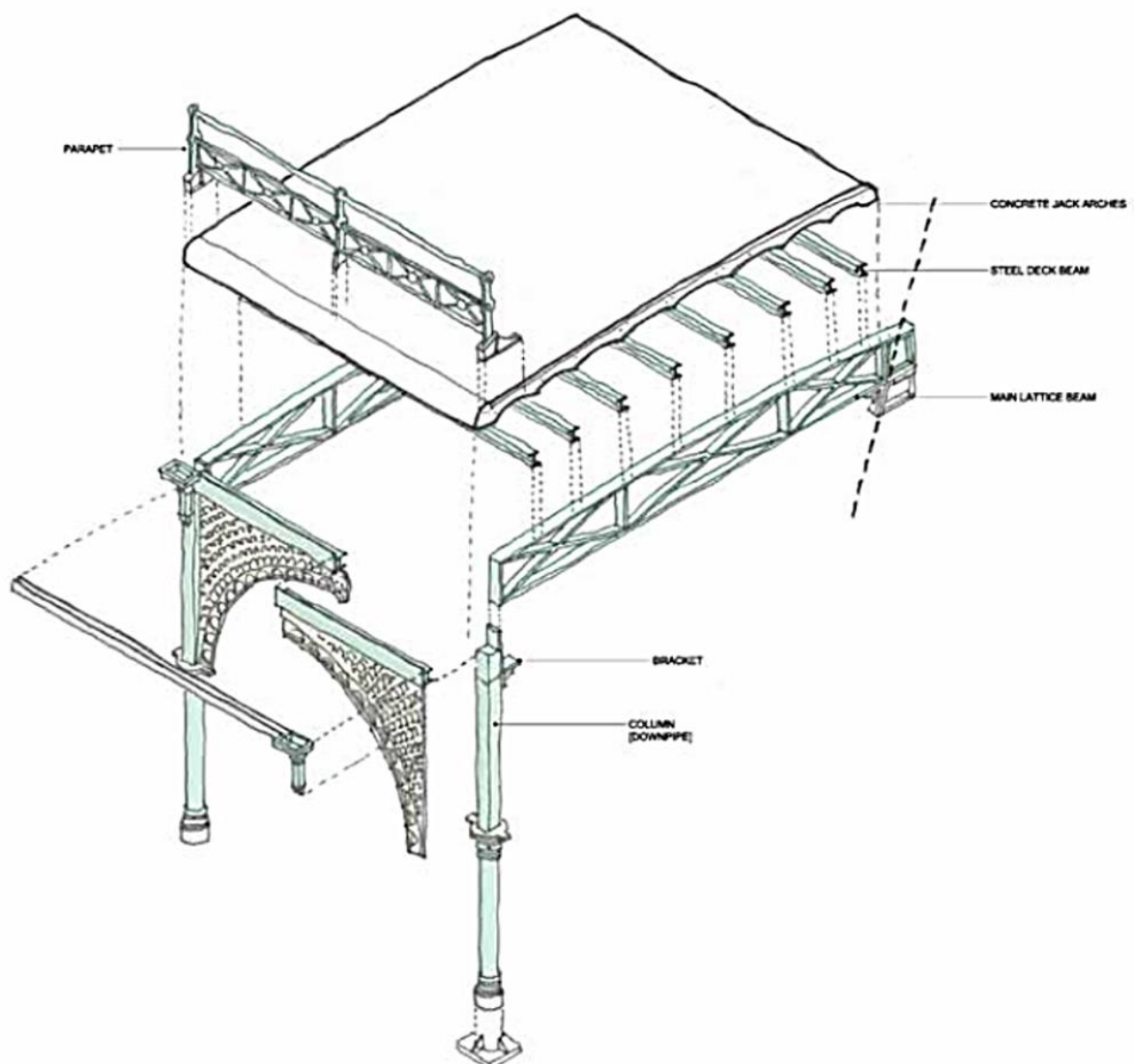
## The Madeira Terrace

### Arcade

The arcade is the cast iron fabric of the colonnade, the array of semi-circular panels with quatrefoil pattern connected to a single line of columns which are tied back to the cliff retention structures by a repeating grid of lattice beams. All these components are cast iron, bolted together.

The post and beam design is not considered of particular engineering ingenuity and there is no written evidence to support any veneration of the design. However, the balance and rhythm of the pure straight line, combined with the ornate and fun detailing throughout (the rainwater discharge/outlets at the foot of the column are dolphin mouths) and sheer scale make this array unique; the longest arcade in the UK, if not the world.

The closest parallels in design are probably the Victorian Piers themselves. The loss of the West Pier places a greater reverence on Madeira Terrace.



## The Madeira Terrace

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### Deck

The deck comprises a precast concrete plank spanning between the cast iron framework substructure. Over the top is a 'wearing' coarse that drains to both front and back.

To the outer edge is a cast iron balustrade and handrail. Photographic evidence shows that this was both a slightly processional route (looking down on the subjects below/ being looked at) and also as an excellent promontory for the events on the 'race track' below.

This uncovered route is continuous end to end, unlike the covered arcade.

### Jack Arches

The jack arches are the coffered concrete planks that span the 5 metres from column to column. Pre-cast concrete as a construction method would have been relatively new; it is not known at this stage where this installation sits in the time line of this technology and how 'ground breaking' it was.

Various options have been considered, but the preferred solution is the complete repair and creative re use of the structure.

The problems which need resolving are:-

#### Concrete Jack Arches

- There are areas of spalling to the soffit of deck that should be cut back to sound concrete.
- Repairs need to be made with suitable materials to prevent falling debris.



cracks in concrete jack arch



spalling, decaying jack arch



extensive weathering, cracking and spalling



jack arch to lattice beam connection

## The Madeira Terrace

- Cracks need to be repaired with an epoxy resin injection system and monitored.

The quality of concrete varies significantly across the bays:-

- Removal of small areas of concrete for repair may lead to larger areas requiring repairs

### Steel Deck Beams



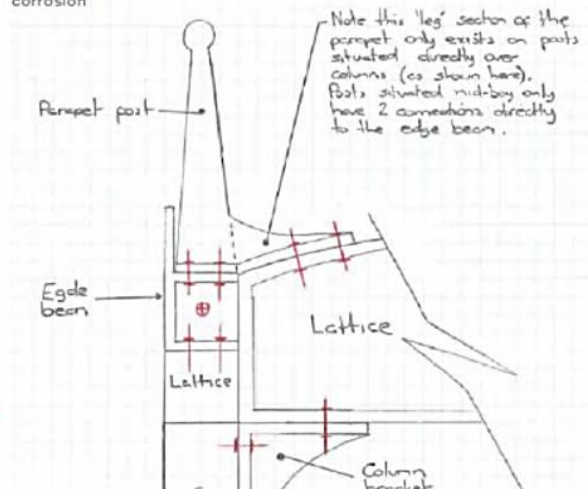
steel deck beams to jack arches



corrosion



bolted connections failed



extent of bolted connections

These are the beams, spanning between the lattice beams that support the concrete deck.

These are severely corroded beams and represent a significant risk:-

- Loss of section = loss of capacity
- Continued hidden deterioration could result in sudden collapse
- At least 10% of all beams show a severe loss of section in some areas, it may be more economical to replace the whole deck structure of jack arches and steel deck beams.



## The Madeira Terrace

### Bolted Connections

The entire assembly of cast iron components are bolted together. There is significant, and potentially catastrophic, corrosion to these elements. The replacement of bolts is a high priority:-

- Up to 24% have failed or are not present
- They are badly corroded
- Not capable of transferring loads
- Potential for progressive collapse if not replaced

The replacement of bolts will likely require concrete breakout and removal of edge beam panels

### Parapet and Parapet conditions

The parapet is the upstand to the terrace roof that provides safety to pedestrians above – the combination of uprights and balustrading. Separation has occurred between the parapet base plate and lattice beams in 30% of the bays. The parapet posts in the centre of bays are of particular concern:-

- No “L”-shaped leg like those above lattice beams
- Connected to top of edge beam only
- Bolts work harder to resist movement

The parapet posts need to be replaced/repared where any base plates are fractured.



edge balustrade



edge beam condition

## The Madeira Terrace

The existing parapet panels would be subject to testing to demonstrate they comply with Building Regulations. It is not believed that the current installation complies with the minimum height of handrails required, they do not comply with current regulations intended to prevent people climbing over them nor do they comply with the minimum size aperture allowed. It is not considered that they have the capacity to meet current requirements to crowd loading.

Either a replacement handrail would need to be designed and procured to address these legislation issues, or a new in-board handrail would need to be adopted, or a position agreed with the District Surveyor that accepts the current configuration with local strengthening works.

### Lattice Beams

The lattice beams are the main beams at 5 metre centres that tie the columns to the cliff retention structure.

A small number bear evidence of fractures in the top chord that are most likely due to casting defects/inherent brittleness and can be repaired using bridging materials.

These members are in compression so not of immediate concern. Cracks are present in the bottom, tensile chord in locations and previous bridging repairs are badly corroded and not appropriate. These will require either a full replacement or permanent propping.



lattice beam failure



typical bottom chord



edge drainage gutters



collapsed rainwater downpipe



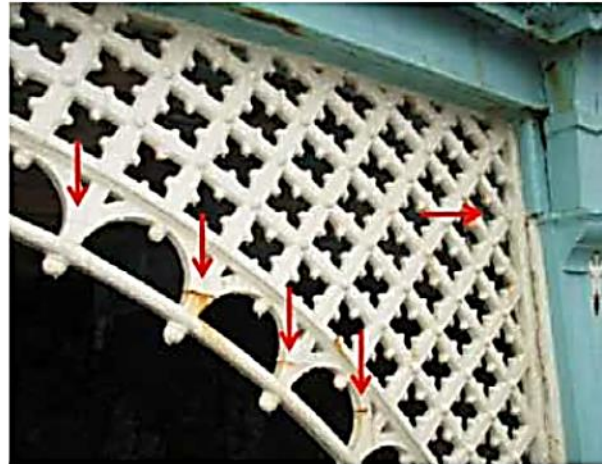
## The Madeira Terrace

### Edge Beams

The edge beams are generally in a satisfactory condition when considering their strength capacity. Localised repairs of small number of fractures in bottom flanges will be required.



fracture in brick support structure



stresses through spandrels resulted in fractures



drainage failure



evidence of water ingress to jack arches

### Columns

The main columns are showing section loss that will require immediate repair or replacement. Their deterioration is exacerbated by the fact that the columns also act as the rainwater downpipes, so are also corroding from the inside out.

Repair work is likely to be preferable due to the large scale temporary works that would be required for a replacement strategy.

### Spandrels

The spandrels are the series of ornate concentric rings to the face of the arches, capped by marine figures. Replacement or repair of deteriorated panels will be difficult due to the complex nature of this element.

## The Madeira Terrace

### Brickwork

There is an extensive range of brickwork to the springing points of the staircases that connect Marine Parade to Madeira Drive. Cracks need to be stitch repaired and replacement brickwork needs to be keyed into the existing to ensure adequate load transfer.

Anchoring of the brick piers to the retaining wall should be considered to limit further movements.

### Waterproofing/Drainage

Waterproofing of the deck, whether reconditioned or replaced, will be required. Water ingress occurs throughout the decks construction joints.

Water run-off will need to be appraised, adequate falls/ drainage considered, possibly replacing the existing Drainage system at the rear of the deck to the retaining wall (instead of draining through the cast iron columns).

### Painting

The arches have gone through a cycle of paint repairs/re-coats. These works are not suitable for a marina environment and the existing paint system will need to be removed. The previous poor application of additional layers is also concealing corrosion. The new coatings are necessary to validate the new life expectancy of the refurbishment works.



corrosion through paintwork



corrosion through paintwork

### Vehicular Collision Protection

At present there is no collision protection to the Arches and any collision (most likely to be low speed from parking vehicles) will potentially cause movement in the columns and, at worst, could even lead to progressive collapse.



proximity of vehicles to columns



relationship between column and kerb

Provision of protective barriers will need to be considered and this will form part of our wider streetscape strategies. Particular focus needs to be given where large vehicle movements (e.g. coaches) are expected to traffic/park.

**Appendix C**  
**Associated Projects**



## The Madeira Terrace

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### King Alfred Leisure Centre Site

Project Lead: Brighton & Hove City Council

Brief Summary: The ageing King Alfred Leisure Centre is a sport and leisure facility (including a 25m swimming pool, fitness gym and sports halls). It is expensive to run and does not meet modern expectations. Redevelopment of the venue, including the additional provision of housing at the site, is a priority for the Council.



Current Status: On 21st January 2016, the Council's Policy and Resources Committee appointed Crest Nicholson in partnership with the Starr Trust as the preferred developer partner to take forward the development of King Alfred Leisure Centre.

Project Cost: £40 million for the sports centre only.

Additional Economic Value: High level Mott MacDonald economic impact assessment estimates forecast as many as 133 net jobs could be facilitated at the King Alfred site as well as indirectly via the supply chain and other locally impacted firms. This is estimated to translate to roughly £6.6m gross added value per annum under these new plans.

#### Project Timeline

- A planning application is expected to be submitted in 2018.
- An indicative timescale for completion is 2021.

### Brighton Waterfront Central and Waterfront East

Project Lead: Brighton & Hove City Council / Standard Life Aberdeen Investments

Brief Summary: The objective of this project is to deliver a major new multi-use event and conferencing venue on the currently vacant Black Rock site next to the Brighton Marina. This would be funded in part through the sale of the Brighton Centre site (the city's current conference centre situated in between the two piers) to Standard Life Investments, who would use this site to extend the existing Churchill Square shopping centre so that it faces directly onto the seafront.

**The Madeira Terrace**

To date there has been some delay due to the need to ensure transport and access for visitors from the city centre to the site at Black Rock. Standard Life and the Council are now undertaking a master planning exercise on the Black Rock site to understand how this transport accessibility issue can be overcome.

Current Status:

Standard Life Aberdeen Investments and the Council will be agreeing a conditional land acquisition agreement which will allow for development work to proceed to design and construct a new venue at Blackrock and extend and upgrade the existing Churchill Square shopping centre to become a regional shopping destination.

Project cost: The total project value is £540 million.

Additional Economic Value: The Council anticipates 2000 net additional jobs will be facilitated by this development. Approximately £150m per annum of net additional expenditure is expected in the city, with an additional £4.6m per annum to the Council through the conference facility.

Timeline for Development

- Signing of conditional Development Agreement in December 2017.
- Completion of Waterfront East site (at the Black Rock site) anticipated summer 2025.
- Completion of Waterfront Central site (at the current Brighton Centre site) anticipated for summer 2026.

**Seafront Landscaping of the land either side of The British Airways i360**

Project Lead: Brighton & Hove City Council

Brief Summary: Following completion of the British Airways i360 the Council is undertaking a complimentary landscaping project, covering the land owned by the Council adjacent to the tower. To the west of the British Airways i360 the urban realm will accommodate new seating and a



## The Madeira Terrace

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flexible event space. To the east there will be a piazza with a focus on heritage and the West Pier.

Project Cost: £1.99m from the British Airways i360 revenues.

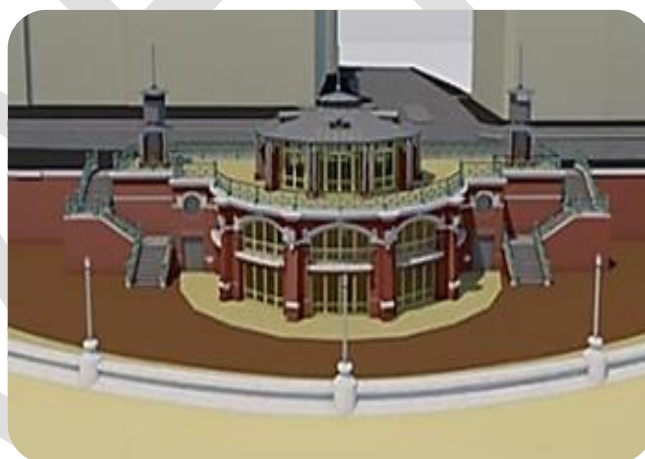
Additional Economic Value: Value to be obtained from event space unknown to date.

### Timeline for development

- Completed Spring 2017.
- Construction commenced in 2015.

## The Shelter Hall

Project Lead: Brighton & Hove City Council



Brief Summary: The Shelter Hall is the third phase of a programme to strengthen, re-build and stabilise the seafront highway structures that support the A259 and upper promenade along Kings Road.

The project involves the rebuilding of the highway structure which supports the primary A259 corridor and the strategically important West Street junction. This area also serves as the main pedestrian link from Brighton's main railway station to the seafront. The scheme will provide a new highway structure that can accommodate modern highway loadings with a minimum design life of 120 years. It will also provide a remodelled and safer junction at the West Street / A259 intersection point and deliver modern commercial business premises.

The project will afford better and safer transport and pedestrian movements, a structure that is fit for purpose and safe for use and the regeneration of this area of seafront.

Current Status: Under construction.



## The Madeira Terrace

**Project Cost:** £9m investment award from the DfT's Highways Maintenance Challenge Fund (*with a remaining £1.5m coming from the Council*).

**Additional Economic Value:** Given the site size and assuming commercial land use, minimal wider economic impacts in terms of employment and GVA is estimated.

### Timeline for Development

- Construction commenced in October 2015.
- Completion anticipated in 2018.

## Volk's Electric Railway

**Project Lead:** Brighton & Hove City Council

**Brief Summary:** Volk's Electric Railway is the world's oldest working electric railway. A scheme was developed to conserve the original Victorian carriages, develop a new station and a new visitor centre to attract more visitors, as well as a new conservation workshop.

**Project Cost:** £1.65m from the Heritage Lottery Fund.



**Additional Economic Value:** Redevelopment plans will not create additional space for jobs, so there would be minimal economic impact in terms of net additional jobs and contribution to GVA. The development would, however, help to safeguard the number of visitors to the attraction.

### Timeline for Development

- Construction on site commenced October 2016.
- Works completed October 2017



**Non-Council Led Pipeline Projects****British Airways i360**

Project Lead: West Pier Trust/Marks Barfield Architects

Brief Summary: The British Airways i360 is a 170m high observation tower constructed on the West Pier site in Brighton.



Project Cost: £46.2m (BHCC senior loan £36.2m / Equity Investors £6m / Coast to Capital Local Enterprise Partnership (LEP) Junior Loan £4m).

- Construction commenced in 2014
- Opened August 2016

**Saltdean Lido**

Project Lead: Community Interest Company

Brief Summary: In 2013 the Saltdean Lido Community Interest Company (SLCIC) was appointed as preferred leaseholder to restore the Lido. The SLCIC have completed a Stage 2 Heritage Lottery Fund application to seek grant funding of over £4m to include:-



- A scheme to restore the main building sensitive to the Grade II Listing of the Lido.
- A business case with income generating uses which would fund the sustainable operation of the facility.

**The Madeira Terrace**

- Improvements in environmental sustainability of the facility

**Current Status:** Works to restore the external main pool, children's pool and provide a new pool plant room are complete. These works were funded primarily by a Coastal Communities Fund grant and due to be completed for Spring 2017. The Lido Pools reopened to the public in June 2017.



**Project Cost:** The restoration of the external pool works was primarily being funded by a grant of over £2m from the CCF. Further grants of over £4m (HLF) and over £3.5m (CCF) are being sought to fund the restoration of the main Lido building.

**Additional Economic Value:** Given the nominal employment space created at this site, there would be minimal economic impact in terms of net additional jobs and contribution to GVA.

**Timeline for Development**

- External works completed June 2017
- Timescale for restoration of main Lido building dependant on outcome of grant applications.

**'Sea Lanes' Open Water Swimming Facility**

**Project Lead:** Private Developer

**Brief Summary:** The now vacant leisure site east of the Brighton Palace Pier was re-marketed in summer 2014.

The Sea Lanes proposal, which includes an open water swimming facility and associated leisure retail units, was chosen by the Policy & Resources Committee as the preferred development in 2015.

**Current Status:** Landlord's consent has now been approved and Heads of Terms for a 150-year lease agreement agreed.



**Project Cost:** Approximately £4.5m privately funded by the developer.

**Additional Economic Value:** It is difficult to assess the economic impact as the scheme is not yet finalised.



## The Madeira Terrace



### Other Key Non-Council Led Projects

#### Shoreham Harbour



A harbour-wide JAAP is currently being prepared and will include:-

- Designations for new areas of housing
- Mixed-use schemes and employment space
- Protecting and enhancing the role of the port in its function as a key local industrial hub
- Regionally important site for the landing and handling and processing of waste and minerals
- A transport strategy to promote a package of integrated sustainable transport measures

## The Madeira Terrace

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- Clear guidance for developers prepared in liaison with the Environment Agency to ensure new developments are resilient to future flood risk
- Improving the waterfront and visitor experience enhancing the area's historic, environmental and leisure assets.

This project seeks to address the coastal defence challenges highlighted in the introductory section of this document.

## Brighton Marina

This is also the focus of investment and regeneration in a phased programme of works including considerable residential and commercial development.





**Appendix D**  
**HLF Funded Projects**

## The Madeira Terrace

Programme	Project	£	timescale
Stanmer Park restoration	Restore entrance and parkland	3,786,400	2018-20
	Restore walled garden, nursery and depot		
Royal Pavilion Estate Phase 1	Phase 1: Dome works	4,900,000	current
	Phase 2: Royal Pavilion works	tbc	2018 to
Saltdean Lido	Stage 1	576,000	complete
	Stage 2	4,200,000	bid to be revised
	Volks Railway	1,650,000	Completion due December 2017
	The Level redevelopment	2,236,258	Final award December 2011; work started October 2012; opened July 2013; project closedown October 2017
	Brighton Museum & Art Gallery	7,562,000	complete

<b>Subject:</b>	<b>Royal Pavilion Estate Capital Project Phase 2</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Richard Davies</b>	<b>Tel: 01273 296825</b>
	<b>Email:</b>	<b>Richard.davies@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Royal Pavilion Estate was bought by Brighton Corporation in 1850 and today is Brighton & Hove's cultural heart, uniquely combining a historic Royal Palace and Regency Garden, a museum, art gallery and three performing arts spaces at Brighton Dome. Brighton Dome & Festival Ltd (BDFL) has a lease on the Brighton Dome, Corn Exchange and Studio Theatre.
- 1.2 The council and BDFL signed a Memorandum of Understanding on 18 August 2014, to formalise the joint working with the Royal Pavilion & Museums (RPM) and underpin the delivery of the phased capital works to the Royal Pavilion Estate that aim to secure its long term future and financial viability. The fundraising campaign has so far included successful bids to Arts Council England (ACE), the Heritage Lottery Fund (HLF), Coast to Capital Local Growth Fund and private trusts and individuals.
- 1.3 This report summarises the progress made to date on the project, describes the planned Phase 2 works and accompanying funding strategy and seeks agreement to submit a Round 1 and 2 funding bid to Heritage Lottery Fund (HLF) and other bids to public and private trusts and commits the council to provide match funding to support these bids.

**2. RECOMMENDATIONS:**

- 2.1 That Policy & Resources Committee notes the progress made to date on the Royal Pavilion Estate capital project and the works taking place at Brighton Dome to complete Phase 1 outlined in paragraph 3.4.
- 2.2 That Policy, Resources & Growth Committee agrees that a Round 1 Heritage Lottery Fund bid is submitted for Phase 2 works as described in paragraph 3.8 and that, should this bid be successful, a Round 2 bid then be prepared and submitted to the Heritage Lottery Fund.
- 2.3 That Policy, Resources & Growth Committee notes that Historic England has placed the Grade II listed Royal Pavilion Garden on the At Risk Register and the Royal Pavilion & Museums has commissioned a Conservation Plan and Management & Maintenance Plan to address the issues raised and put in place

measures for future conservation and management of the Garden to achieve substantial improvements and the removal of the Garden from the At Risk register.

- 2.4 That Policy, Resources & Growth Committee earmarks £1.0million of unallocated capital resources to support the Royal Pavilion Estate Capital Project Phase 2.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Memorandum of Understanding signed by the council and Brighton Dome & Festival Ltd (BDFL) on 18 August 2014 proposes to redevelop and improve the Royal Pavilion Estate as a world class cultural and heritage site by integrating the Royal Pavilion, Brighton Dome, Brighton Museum & Art Gallery, Courthouse, Corn Exchange and Studio Theatre with their historic setting, improving the world class centrepiece of Brighton & Hove's cultural quarter. This redevelopment will seek not only to improve the Royal Pavilion Estate, but also restore some of the connectivity between the Dome, the Brighton Museum & Art Gallery and the Royal Pavilion, which will enable further co-working in the future on the delivery of cultural events and celebration of the parties' unique heritage.
- 3.2 The proposed capital improvement works prepared through this initiative aim to significantly enhance the quality of the Estate's visitor offer and the heritage in its care, delivering a legacy of sustainability and resilience, which will safeguard its future
- 3.3 The phased approach to the capital works responds to current issues and funding opportunities. The total cost of all three phases is estimated at circa £32 million. It should be noted that if other funding streams become available for future phases of works then this may alter the phasing.
- 3.4 Phase 1 works started on site in February 2017 following approval by Policy, Resources & Growth Committee in October 2016 and will achieve the restoration of Brighton Dome's Corn Exchange and Studio Theatre along with developing an Estate-wide Interpretation Strategy and Brand Identity. Capital works are programmed to be completed in Autumn 2018.
- 3.5 Phase 2 works of the Royal Pavilion Estate capital project focus on the Garden and the Royal Pavilion. This report is seeking a commitment of £1m: £0.5m for works to the Garden and £0.5m for works to the Royal Pavilion.
- 3.6 Phase 2 works to the Garden will follow on from recommendations of the Conservation Plan and Management & Maintenance Plan, due to be completed in March 2018, which has recently been commissioned to address the challenges that have led to the inclusion of the Garden on Historic England's Heritage at Risk Register. The installation of a securable boundary, which delineates the Royal Estate from its surrounding areas is a potential option in ensuring that the Garden is safe and that the ambition is achievable for it to play its part in the Royal Pavilion Estate vision as a place;
- where all ages can engage and learn about the importance of gardens and green spaces in urban areas through new interpretation bridging the past with the present;

- where all ages can learn about how the garden provides habitats for a variety of species and the importance of enhancing and protecting biodiversity.
  - which is an exemplar of how citizens come together to care for their heritage through volunteering to undertake tasks ranging from gardening, to upkeep of basic infrastructure, to greeting visitors and telling stories of the Royal Estate and the city.
- 3.7 As well as the requested council's commitment of £0.5m for the Garden, works will be costed on completion of the Conservation Plan and Management & Maintenance Plan and funding sought from private trusts and individuals to meet the full cost before proceeding. The intention is to fast track the works to the Garden to address the issues that lead to the Garden being placed by Historic England on the At Risk Register. Whatever works are carried out to the Garden, including any boundary treatment, entry will remain free.
- 3.8 Phase 2 works in the Royal Pavilion will focus on;
- restoring the King's Apartments and surrounding rooms including the King's bathroom;
  - Improving heritage protection systems within the Pavilion in line with recent recommendations;
  - Upgrading visitor facilities and infrastructure which will enhance the visitor experience; and
  - Improving conservation facilities to better safeguard the collections and facilitate public access.
- 3.9 The proposed HLF Round 1 bid will be for works to the Royal Pavilion. It is anticipated that these will be circa £6.0 to £7.0 million while the HLF bid is anticipated to be for £4.5 million. Costs are being reviewed currently with appropriate specialists. The council is requested to commit £0.5million to the works to the Royal Pavilion to demonstrate commitment to the project and additional match funding for the HLF bid will be sought from private trusts and individuals.
- 3.10 If the HLF Round 1 bid is successful the Development Stage of works would commence in autumn 2018 to prepare the HLF Round 2 bid for submission in autumn 2019 with the aim of works starting on site in 2020.
- 3.11 Phase 3 works will include refurbishment and some updated interpretation of Brighton Museum & Art Gallery, new interpretation and activity within Brighton Dome and creation of new learning facilities.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The options for the Royal Pavilion and Royal Pavilion Garden are set out in Appendix 1.
- 4.2 If the Do Nothing approach is taken it is likely that the Royal Pavilion Garden will lose its listed status, which would jeopardise wider estate improvements and risks a loss in visitor numbers.
- 4.3 Option 1 is the preferred option as it will deliver considerable benefits and address the issues that led to the Garden being placed by Historic England on

the At Risk Register. It provides a realistic approach to match funding and offers the greater chance of success. Option 2 would require closing of the Royal Pavilion and considerable match funding to be raised, which at present appears to be unachievable.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The initial unsuccessful HLF submission for the whole Estate was informed by a series of consultation and engagement sessions, which included workshops, presentations and surveys undertaken with a variety of stakeholders. In relation to the Garden, a number of stakeholder workshops, including one solely for young people, have been held. A public exhibition took place in Jubilee Library in November 2014 to gather further feedback along with an online survey on the council's consultation portal.
- 5.2 Further consultation on the proposed works to the Garden including a potential boundary treatment for the Estate will be carried out early in the New Year.

## **6. CONCLUSION**

- 6.1 To achieve funding from trusts and private individuals for the recommended improvements to the Garden that will come out of the Conservation and Maintenance and Management Plans will require a financial commitment from the council.
- 6.2 Submitting a Round 1 HLF bid for the Royal Pavilion will be an important step to achieving the vision for the Royal Pavilion Estate and be the catalyst for delivering restoration and badly needed improvement works. This will continue and build on the achievements of Phase 1 works that are now being delivered on site at Brighton Dome. Without the council's financial commitment to provide match funding it is unlikely that the HLF bid will be successful and restoration of the Royal Pavilion and the wider improvements including the bringing together of the Estate will not be delivered.
- 6.3 Doing nothing can be expected to have serious implications for the future condition of the Royal Pavilion and Garden and jeopardise the Garden's listed status.
- 6.4 Supporting the proposed Round 1 HLF bid for Phase 2 works will be the next step in achieving the overall vision of the Royal Pavilion Estate.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The Revenue and Capital Budget Planning and Resources Update report to this committee in July 2017 included identification of £7.5m unallocated capital resources, of which £2.5m has subsequently been committed to support a new social work case management IT system. It is proposed to earmark £1.0m of these resources to support the Royal Pavilion Estate Capital Project Phase 2 as outlined in this report. This would result in remaining unallocated capital

resources of £4.0m subject to further allocations included on this committee agenda.

- 7.2 If the recommendations to this report are approved, then detailed project costs, expenditure profile and financial implications will be reported to this committee at a later date once more robust information becomes available.
- 7.3 Officers will seek to identify opportunities to maximise external funding sources for the capital project. External funding is potentially an important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the council.
- 7.4 It is anticipated that the project will have cashable benefits by increasing opportunities for income generation and reducing costs. It is likely that most of these cashable benefits would impact on the proposed charitable trust for arts and culture which is due to commence from April 2018, and therefore support the trust to be more financially sustainable in the future.

*Finance Officer Consulted: Steven Bedford*

*Date: 31/10/17*

Legal Implications:

- 7.5 The Memorandum of Understanding between the BDFL and the Council says that the parties will agree which of the parties will undertake the work. The Council is carrying out the Phase 1 works and it is likely that the parties will agree that the Council will carry out the Phase 2 works to the Royal Estate. If the Council carries out the works it will procure all the contracts necessary in accordance with its Contract Standing Orders and the Public Contracts Regulations 2015.

*Lawyer Consulted: Alice Rowland*

*Date: 15/11/17*

Equalities Implications:

- 7.6 The proposed works to the Royal Pavilion will improve access to facilities. The improved educational space provided within the overall project will further increase access for schools and others to the Royal Pavilion Estate activities.

Sustainability Implications:

- 7.7 The proposed capital works will result in upgrading of the historic buildings to improve the building fabric and result in reduced on-going maintenance costs.

Risk and Opportunity Management Implications:

- 7.8 The principal risks include the continued deterioration of the fabric and quality of both the Royal Pavilion and Garden and the loss of the Garden's listed status. Both of these would contribute to reducing future resilience and may adversely affect continued use by visitors and residents.

Public Health Implications

- 7.9 Protecting the Garden and improving control of its use will improve environmental conditions with a beneficial effect on people's enjoyment of the green space.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Royal Pavilion – Outline Options

#### **Documents in Members' Rooms**

1. None

#### **Background Documents**

1. None



## Royal Pavilion - Options

	Option 1	Option 2	Option 3
<b>Description of the Option</b>	Under £5million ask to HLF Project focussed on capital works to two discreet areas, Kings Apartments and Conservation Studios plus general interpretation, infrastructural and visitor facility improvements	Over £5million ask to Heritage Lottery Fund, larger scale project incorporating improvements to additional areas including, Deckers, Banqueting Room, all second floor rooms	No Capital investment
<b>Costs and resources</b>	Proposed overall bid c. £6/7million with c. £4.5million ask from HLF  Pre bid works in the region of £20k can be funded within core budget	Potential overall bid in excess of £10 million  Work will necessitate full closure of Royal Pavilion for in excess of one year. Income generated within Royal Pavilion per annum £3.5million  Pre bid works in excess of £40k	£0 capital out lay Higher ongoing energy costs due to poor environmental controls within the building Additional security costs to meet loan requirements Ongoing staff and resource costs maintaining failing facilities e.g. toilets Potential damage to interiors due to siting of public catering above state apartments Declining visitor numbers due to increased poor feedback and dated offer resulting in income loss
<b>Cashable Benefits</b>	Ability to remain open throughout works and maintain visitor income Increased Income on reopening due to profile Increased ability to generate secondary	Increased Income on reopening due to profile Increased ability to generate secondary spend through catering, retail. Increased potential for event income	No visitor disruption

	<p>spend through catering, retail.</p> <p>Increased potential for event income</p> <p>Lower energy and day to day maintenance costs</p> <p>Reduced need for additional security</p>	<p>Lower energy and day to day maintenance costs</p> <p>Reduced need for additional security</p>	
<b>Non-Cashable Benefits</b>	<p>Improved visitor satisfaction</p> <p>Improved security and fire protection</p> <p>Improved visitor comfort</p> <p>Increased profile</p> <p>Greatly enhance facilities for conservation and collections</p> <p>Ability to host volunteers, apprentices, internship and show conservation in action</p> <p>High profile archive available for public access</p>	<p>Improved visitor satisfaction</p> <p>Improved security and fire protection</p> <p>Improved visitor comfort</p> <p>Increased profile</p> <p>Greatly enhance facilities for conservation and collections</p> <p>Ability to host volunteers, apprentices, internship and show conservation in action</p> <p>High profile archive available for public access</p>	
<b>Risks and Opportunities</b>	<p>Risk-</p> <p>Bid doesn't succeed, 48% success rate for under £5 million bids to HLF</p> <p>Opportunity</p> <p>Increased engagement throughout process as Pavilion remains open,</p> <p>Opportunity to see work in progress will benefit fundraising</p> <p>Improved conditions give ability to secure more permanent loans of original Pavilion material</p>	<p>Risks</p> <p>Match fundraising target much larger and is unachievable</p> <p>Bid doesn't succeed –Low success rates for over £5million awards - 20% only</p> <p>Loss of visitors to the City and other attractions, impact on local businesses</p> <p>Opportunity</p> <p>Improved conditions give ability to secure more permanent loans of original Pavilion material from Royal Collection</p>	<p>Risks</p> <p>Failing visitor facilities resulting in damage to interiors and poor visitor feedback; deterioration of the Royal Pavilion archive currently inaccessible; static offer at Royal Pavilion does not keep up with market expectations; security risk from outdated and inadequate systems; poor environmental conditions resulting in deterioration of collections; Increased risk of damage due to outdated fire protection systems</p>

	from Royal Collection		Opportunity staff energy focussed on smaller scale projects, temporary interventions and programming
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#### Royal Pavilion Garden - Options

	Option 1	Option 2	Option 3
<b>Description of the Option</b>	Instate a perimeter fence and gates with the ability to shut the Garden at a time to be determined and when ticketed evening events are being held.	Provide 24 hour security 365 days per year Increase litter picking to cover 06.00-22.00	Do nothing.
<b>Costs and resources</b>	Perimeter c. £2million	Revenue 24 hour security c£200,000 per year Litter picking 06.00-22.00 c£70,000 per year Fencing and additional security during events and installations such as Anish Kapoor sculpture and Pride up to c£3,500	No capital outlay however on going daily cost of litter, removal, graffiti removal, additional security for events, higher maintenance costs, higher insurance costs as buildings considered at greater risk
<b>Cashable Benefits</b>	Greater levels of income as hirers will not need to cost in overnight security given the current free access to the Garden at all times.  Ability to host evening outdoor ticketed and charged events  Potential savings in not needing to remove graffiti per year mostly undertaken by staff  Repairing the finger	Some level of increased income	Current level of Garden activity only, may decrease as Garden deteriorates

	<p>post signs c £1000 plus staff time</p> <p>Replacement of broken windows £600 plus staff time</p> <p>Removal of mattresses £200 per year plus staff time</p>		
<b>Non-Cashable Benefits</b>	<p>Improved visitor experience and ability to install permanent interpretation, improved signage etc. without risk of vandalism.</p> <p>Preserve and enhance the experience of historic garden maximising opportunities to learn and engage with the Garden as a resource for wildlife and botany.</p> <p>More time available for the Garden Manager and assistant to tend the Garden and provide talks and public interaction</p> <p>Visual improvement with a consistent boundary rather than different types of railings surrounding</p> <p>Increased general security</p> <p>The ability to close off the space in emergencies</p> <p>Ability to host art installations e.g. Anish Kapoor's Sky Mirror without the need for overnight</p>	<p>People feel safer with security guard presence</p>	

	security		
<b>Risks and Opportunities</b>	<p>Risk: Do not achieve funding with loss of listed status of Garden and negative impact on visitor numbers and ability to fund raise for improvements</p> <p>Opportunity: events in the evening which can be ticketed and raise income for example theatrical, film and musical events Opportunity for business and community partnership working to enhance city centre Opportunities for volunteering, learning &amp; participation</p>	<p>Risks- cannot generate income from ticketed events as unable to close garden without additional staffing and other measures.</p> <p>Sense of arrival on to the Estate is almost non-existent as demarcation with surrounding area is minimal Potential Capital returns of wider RP estate project not realised as profile of estate suffers</p>	<p>Risk- Historic garden Listing is lost Vision for Garden is not achieved as rest of Garden treated differently. Sense of arrival for entire Estate not created. Potential Capital returns of wider RP estate project not realised as profile of estate suffers Risk of damages extends beyond garden to key cultural assets of the city e.g. Museum arson incident 2016 Reputational damage. Need to remove garden features including planting and lawns, that cannot be maintained</p>



<b>Subject:</b>	<b>Corporate Procurement of the Council’s Water and Wastewater Provision</b>		
<b>Date of Meeting:</b>	<b>30<sup>th</sup> November 2017</b>		
<b>Report of:</b>	<b>Executive Director Economy, Environment &amp; Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 01273 291450</b>
	<b>Email:</b>	<b>angela.dymott@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks delegated authority to procure the Council's water supply and wastewater services for the Council's operational property portfolio of approximately 440 meters connections including most schools and some housing sites where the Council is responsible for the water bill. The current total spend is approximately £1.0m per annum.
- 1.2 As of April 2017 the water retail market for businesses was deregulated and opened to competition. As a result organisations can now select their water and waste supplier without the previous regional restrictions.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee grant delegated authority to the Assistant Director Property & Design, following consultation with the Council's Monitoring Officer, to procure and award a call off contract under a Central Purchasing Body framework agreement for the Council's water supply and wastewater services with a term of up to four years.

**3. CONTEXT/ BACKGROUND INFORMATION**

**De-Regulation of the water industry**

- 3.1 Deregulation of the non-domestic water market in England took place in April 2017, following the example set by Scotland in 2008. Southern Water (the Council's previous supplier) did not apply for a service provider license (water retailer) during the de-regulation process and sold its business retail service (effective 1 April 2017) to a company called Business Stream. Business Stream therefore became the council's incumbent supplier on deemed rates. The Council subsequently negotiated terms and conditions for a short-term contract until September 2018.
- 3.2 A water retailer provides businesses with water billing, customer service and ancillary services. The retail element of any water bill only accounts for approximately 7% of the overall bill, with the majority of charges going back to the wholesaler.

### **Overview of Current Water Supply Contract**

- 3.3 In December 2016 Property & Design was granted a waiver of CSO12, granted in accordance with CSO 20.3, to contract with Business Stream as the Council's default supplier for water supply and wastewater services to Council premises. Following this, and in the absence of alternative supplier frameworks at that time, Property & Design negotiated and subsequently signed a contract for a period of twelve months with Business Stream taking us up to 31<sup>st</sup> August 2018.
- 3.4 Changing suppliers takes time and, coupled with the new way of working, it is too early to draw conclusions on Business Stream's performance as a supplier.

### **Overview of Central Purchasing bodies and framework agreements**

- 3.5 The Public Contracts Regulations 2015 define a Central Purchasing Body (CPB) as 'a contracting authority which provides centralised purchasing activities and which may also provide ancillary purchasing activities'. CPBs often set up and operate framework agreements which are accessible to contracting authorities such as the Council.
- 3.6 From officer research conducted so far, two CPBs offer framework agreements for water retail services – LASER and Crown Commercial Services (CCS). Information gathered on these frameworks so far is as follows:
- Both CPBs started running mini-tenders under their framework agreements in the summer of 2017.
  - Both CPBs framework agreements provide the same offering in terms of water services each have 8 plus suppliers on each framework
  - The duration of the framework agreements is four years
  - Framework fees are added to the retail unit costs and these are recouped between the retailer and CPB directly – retail prices are fixed for the period of the contract signed.
  - Wholesale costs are reviewed each year via Ofwat.
  - Both frameworks offer two main lots: a) water retail services and b) ancillary services. At this stage the Council is looking at water supply and wastewater retail services only.
- 3.7 Officers will review the LASER and CCS framework agreements with colleagues in the Council's Procurement, Legal and Finance teams in order to select a preferred framework and to determine the correct call off procedure. The aim is for the new contract to commence on 1<sup>st</sup> September 2018. The Council is currently making enquiries with Orbis partners to see if there are any additional benefits in consolidating our portfolios.
- 3.8 This approach has been agreed with the Procurement Advisory Board at its meeting on 5<sup>th</sup> December 2016.

## **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 **Other Central Purchasing Bodies (CPBs) framework agreements:** Only two CPB's water retail frameworks have been identified so far, but officers are



continuing to research the field. If other CPB frameworks are identified they will be considered alongside the two mentioned in paragraph 3.6 above.

- 4.2 **Procuring water services direct with water suppliers:** the water retail market is relatively new and officer research conducted so far suggests that water suppliers are concentrating efforts on securing customers via frameworks, in addition to retaining existing customers. It is believed that the value of this contract would not attract enough interest from water suppliers should the Council look to run an independent OJEU procurement exercise.
- 4.3 **Brokers:** the Council is approached regularly by consultancies and brokers that secure prices direct from suppliers by monitoring market prices. CPB's do everything the independent energy brokers do but with the added benefit of aggregating large Local Authority portfolios.
- 4.4 **Collaborative procurement with other authorities:** Following evaluation of collaboration opportunities for our energy contracts, we found that CPBs generally do not offer a reduction in framework fees for public sector organisations presenting combined portfolios (i.e. across Orbis) when approaching frameworks. However, this is currently being reviewed with our Orbis partners. Property & Design are working in collaboration with Orbis partners to explore whether the Council's requirements for water retail services could be aligned with our Orbis partners.

## 5. **COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The water supply and wastewater services contract does not directly affect leasehold housing tenants, therefore no consultation is required.
- 5.2 Collaboration opportunities are being explored with Orbis partners.

## 6. **CONCLUSION**

- 6.1 Opting to procure through a CPB framework agreement is considered to represent best value for money due to economies of scale and the CPB's purchasing power.

## 7. **FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The water supply and waste water services form part of the Council's Corporate Landlord function and has an annual budget of just over £1.0m pa. This includes the supply and services to most schools, some housing sites and the council's corporate buildings. The procurement of contract may provide opportunities for efficiencies and value for money to be generated through the life of the contract although there is no assumption that savings will be forthcoming within the Integrated Service & Financial Plans. Furthermore the potential to achieve efficiencies through the Orbis route will also be explored during the current year.

*Finance Officer Consulted: Rob Allen*

*Date: 17/10/17*

Legal Implications:

- 7.2 The Council has a duty to secure continuous improvement in the way in which its functions are exercised having regard to a combination of 'economy, efficiency and effectiveness' (known as the duty of best value).
- 7.3 In accordance with Part 4 of the Council's Constitution, Policy, Resources & Growth Committee is the appropriate decision-making body in respect of the recommendations set out in paragraph 2 above. In addition, in order to comply with CSO 3.1, authority to enter into contracts in excess of £500,000 must be obtained by the relevant committee.
- 7.4 The Council's Legal officers will advise during the procurement to ensure that it complies with all relevant public procurement legislation as well as the Council's Contract Standing Orders (CSOs).

*Lawyer Consulted: Wendy McRae-Smith*

*Date: 27/10/17*

Equalities Implications:

- 7.5 There are no equalities implications

Sustainability Implications:

- 7.6 Both frameworks offer ancillary services including water efficiency and conservation however, at this stage the council is only looking to establish the basic retail service associated with water supply and wastewater requirements. Both frameworks are available for four years and any requirements for ancillary services could be explored at a later date. Property & Design continue to monitor water usage across the council portfolio of buildings and open spaces.

Any Other Significant Implications:

- 7.7 No other significant implications have been identified relating to this area.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. None

**Documents in Members' Rooms**

1. None

**Background Documents**

1. None

<b>Subject:</b>	<b>Response to General Data Protection Regulation</b>		
<b>Date of Meeting:</b>	<b>30<sup>th</sup> November 2017</b>		
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Peter Bode</b>	<b>Tel: 01273 29 6634</b>
	<b>Email:</b>	<b>Peter.bode@brighton-hove.gcsx.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to inform the Committee of the forthcoming changes to Data Protection regulations, the impact these will have on the Council's operations, and the proposed approach to mitigating the associated risks. At the heart of this is the General Data Protection Regulation (GDPR) which comes into effect in May 2018.
- 1.2 The approach has been devised by the Council's Information Governance Team in collaboration with and benchmarked against that of our Orbis colleagues in East Sussex.
- 1.3 As the report demonstrates there will undoubtedly be significant financial implications – hence the reason for bringing GDPR to the Committee's attention – but in the longer term, the council will seek to ensure that these costs are reduced, as meeting the new requirements will need to become a part of 'business as usual'.

**2. RECOMMENDATIONS:**

That the Committee:

- 2.1 Approves the preferred option of a 'Hub and Spoke' model to ensure that accountability for successful compliance with the forthcoming GDPR and UK Data Protection Bill 2017 is in place.
- 2.2 Approves capital funding for 2017/18 and 2018/19 of up to £644,000 and the commitment of £90,000 per annum from 2019/20 in the revenue budget – these costs are to cover investment in Information Asset Administrator employment, software development, and project management resources as detailed within the options appraisal and business case in Annex A.
- 2.3 Delegates authority to the Executive Director of Finance and Resources to take all steps necessary to implement the GDPR strategy.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The GDPR has direct application throughout the EU and member states are required to comply with it from 25<sup>th</sup> May 2018. The Data Protection Bill 2017, which is currently before the UK Parliament, effectively extends GDPR principles to general data processed both within the UK and between the UK and other countries, regardless of whether or not they are EU member states. It also transposes the Law Enforcement Directive into UK law, thereby regulating the processing of personal data for the purposes of crime prevention.
- 3.2 While in many ways the new regime builds on existing data protection law, it will bring with it amongst other things:
- Broader personal information rights, including an enhanced ability to object to processing and a new right to be forgotten as well as a more robust regime in relation to data breaches.
  - A requirement to be explicitly transparent about what the data that organisations collect about citizens will be used for, how it will be maintained, and who it will be shared with.
  - Enhanced regulatory powers for the Information Commissioner's Office (ICO) including a revision of the fines regime from its current ceiling of £500,000 to a maximum of €20,000,000 (converted to £sterling).
- 3.3 The GDPR is extensive and comprises 99 articles (or requirements). Central government has indicated that the new data protection regime will not be altered by the UK leaving the EU. We can reasonably expect the draft UK bill referred to in paragraph 3.1 above to pass without significant amendments in order to provide certainty to the UK business sector.
- 3.4 Compliance with the new Regulation and the forthcoming Act will require the council to review its approach to data processing across all of its functions. The following actions are required:
- i. Conduct an audit to review and refine our understanding of and justification for the personal data we hold, its legal basis for processing, and the impact it may have on the privacy of individuals
  - ii. Analyse, improve and reduce the personally identifiable data we hold, reflecting stricter obligations for accuracy, adequacy and relevance of the data
  - iii. Introduce new measures for transparency about how data is used
  - iv. Implement and monitor new safeguards for information sharing with partners and commissioned organisations
  - v. Implement improved business process and information design in existing and new corporate systems, amongst other things to ensure that the Council adheres to the 'privacy by default' expectation and applies the required 'privacy by design' approach

- vi. Embedding changes to contract and procurement processes where personal data is involved
  - vii. Implement reduced legal timeframes for responses to Subject Access Requests, in relation to which a fee will not normally now be chargeable
  - viii. Comply with the mandatory requirement to designate a Data Protection Officer, and to meet the new Data Protection principle which requires the organisation to demonstrate compliance via appropriate policies and processes
- 3.5 The regulatory change will require the council to both prepare for the start of enforcement next year, and also to also build compliance into ongoing operations, changes to corporate structure, engagement with external partners and procurement/development of new systems. It is worth noting that the council's strategic approach to shared service delivery and integration with city partners creates heightened risk to both individual privacy and therefore to the council if the challenges posed by the GDPR are not addressed.
- 3.6 Conversely, the GDPR should not be seen as merely a compliance imposition. The required improvements to data quality and business processes offer the opportunity to improve interactions with residents, improve cross-council collaboration opportunities, open up digital service delivery channels, and avoid information management costs in the future.
- 3.7 The council's Audit & Standards Committee and Modernisation Member Oversight Group have recently received reports on how the council is improving its approach to managing all risks relating to Information Governance. In order to ensure that there is ongoing strong governance in this area, these forums will receive regular updates from a newly formed GDPR Programme Board to ensure that progress is scrutinised and challenged. This Board will be chaired by the Executive Director, Finance & Resources.
- 3.8 Regarding the DPO post (paragraph 3.4 – viii) options for recruiting the DPO post are being explored. It may be that the strongest candidate will be available if a joint-Orbis appointment is made, however further consultation is required before a decision can be taken. As well as being statutory, the role assures GDPR is delivery by:
- a. informing the council around its data processing and information governance activities, and facilitating compliance with the GDPR and other UK data protection law,
  - b. Monitoring compliance with GDPR, other UK law and with SCC policies in relation to the protection of personal data – including assignment of responsibilities, training, and awareness raising of staff. To monitor compliance with any related audits against GDPR requirements.
  - c. Providing expert advice in all matters relating to data protection impact assessments (DPIAs) the monitoring of the council's performance in

relation to data processing, and consultation with the ICO prior to data processing where a DPIA indicates that processing would result in a high risk in the absence of measures taken to mitigate the risk.

- d. Acting as the key contact point for, the ICO on any issues relating to data processing.

- 3.9 The DPO and stronger governance are central to improving risk management over information, an area where the historic performance of the council has been mixed. Although the financial penalties are known (paragraph 3.2) it is not yet clear how robust the ICO will be. Recent intelligence is that what must be achieved quickly is a detailed awareness of how the GDPR affects the council, and a demonstration that a clear plan is in place and under way by May 2018.
- 3.10 Below is a clear recommendation for the approach – however the detail will evolve as the programme moves forwards, and more is understood, for example the direction of travel from the ICO. The delegation sought by recommendation 2.3 is therefore key, as the council needs to make as much progress as possible as soon as possible.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 A full options appraisal is included in Annex A. In summary, the options considered were as follows.

- 4.2 **Option 1: Aim to achieve compliance with existing IG staff resource.**

This option is not recommended on the basis that it is considered highly likely to attract attention from the regulator, including the prospect of substantially increased fines. It is also likely to increase exposure to civil litigation.

- 4.3 **Option 2: Adopt a Hub and Spoke model.**

Project Management resource and legislation/analysis expertise will reside in the corporate centre (IT & Digital and Legal with support from Performance Improvement & Programmes) while information asset expertise within each service will carry out analysis and recommend/carry out the required changes within services, while locally, experts in the business processes and use of information will liaise with the central resource whenever business changes impact on how personal information is to be kept or used.

The project will seek opportunities to share tools and techniques (and potentially resources) with partner organisations such as Orbis. It is not anticipated that external consultancy will be required.

- 4.4 **Option 3: Create a small centralised team within IT&D to manage the project and ongoing compliance.**

This option fails to recognise that the GDPR impacts on all service areas and the implications of that cannot be successfully managed from a team centralised in a single area.

- 4.5 The recommended and preferred option is **Option 2** - a Hub and Spoke model which will deliver compliance through the implementation of an Information Asset Ownership Framework across all areas of the Council. This is expected to deliver enduring benefits in terms of quality and cost avoidance.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Impacted stakeholders include residents, staff, commissioned service delivery partners, our Orbis colleagues and other local government agencies such as the Sussex Police and NHS Trusts.
- 5.2 To date, consultation has been largely informal, pending approval of a GDPR Strategy for the Council.

## **6. CONCLUSION**

- 6.1 The recommended option will develop corporate information management maturity across the Council, improving the economics of information and reducing opportunity cost
- 6.2 The Audit & Standards Committee will oversee the implementation of this work, both to provide Member oversight and as a demonstration of compliance with the new data protection principles.
- 6.3 The benefits of the option will extend to safer handling of resident information, avoiding fines, civil penalties, whilst having a positive impact on community perception of the Council as a trusted data custodian.
- 6.4 The proposal aligns with those being undertaken at our Orbis partners, introducing ongoing opportunities for knowledge sharing, collaboration and (potentially) integration of information technology and digital services over time.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The preferred option of a Hub and Spoke approach to meet the forthcoming GDPR and UK Data Protection Bill 2017 requirements is estimated to cost £914,000 over the next 4 years. This includes £644,000 of capital costs and ongoing revenue costs from 2019/20 of £90,000 per annum, £270,000 over the 4 year period. The capital costs will be funded from unallocated capital receipts. The Budget Update report to this committee in July 2017 highlighted there was £7.5m unallocated receipts; subsequently, this committee allocated £2.5m of this funding for the replacement of the current Care First system. This means there is £5.0m unallocated subject to recommendations elsewhere on this agenda. The ongoing revenue costs of £90,000 will be treated as a commitment in the Medium Term financial Strategy from 2019/20 onwards.
- 7.2 The implementation of the preferred option is expected to reduce the volume of data held by the council and this could lead to ongoing savings although at this

stage, these are unquantifiable. A range of non-cashable benefits is included in appendix 1 along with the breakdown of expected costs.

*Finance Officer Consulted: James Hengeveld*

*Date: 20/11/17*

Legal Implications:

- 7.3 The deadline for compliance with the GDPR (which applies directly in the UK) is 25<sup>th</sup> May 2018. The draft Data Protection Bill (which is expected to come into force well before that) both transposes the Law Enforcement Directive into UK law and includes some derogations to the GDPR. It furthermore extends the new data protection regime by requiring compliance where general data is processed either within the UK or outside it (ie whether or not EU citizens are impacted). This Report highlights some of the requirements which need to be met and the actions which need to be undertaken in order to comply with the new data protection regime and to meet the new accountability principle. In the context of an enhanced and more robust regulatory regime where the risk of legal challenges to the Council's processing of personal data is increased, this Report proposes a recommended model for addressing the challenges.

*Lawyer Consulted: Victoria Simpson*

*Date: 14/11/17*

Equalities Implications:

- 7.4 It is not judged that an Equalities Impact Assessment needs to be conducted for this project. However, there are requirements around the rights of data subjects which will require EIAs to be completed when making arrangements and drawing up work processes for dealing with the following:
- Informed Consent
  - Right to Erasure
  - Right to Object
  - Right to Restrict Processing
  - Right to withdraw consent
  - Right to rectification
- 7.5 There will be a need for an EIA for informed consent, as the project will deal with issues around informed consent and the understanding of this may vary for different groups in the community, relating to their protected characteristics. This should also help to engage the audience with the need for investment.

Sustainability Implications:

- 7.5 Not Applicable

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. GDPR Full Business Case



### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None



## Appendix 1 - Full Business Case and Options Appraisal

Project Information	
Project Name	General Data Protection Regulation (GDPR) Resourcing Project
Directorate/Service	IT & Digital, Orbis
Full Business Case Author (Name and job title)	Dan Snowdon, Head of Strategy & Engagement IT Digital (BHCC) Katie Rees, Information Governance Consultant (BHCC) Peter Bode, Records Manager (BHCC)
Date Full Business Case drafted	21/09/2017
Senior Responsible Owner/ Project Executive (Name and job title)	David Kuenssberg, Executive Director Finance & Resources (BHCC)
Programme or Project Manager (Name and job title)	Katie Rees, Information Governance Consultant (BHCC) Peter Bode, Records Manager (BHCC)

### 1. Executive Summary & Recommendations

This full business case explores resourcing options to enable Brighton & Hove City Council to meet its obligations under the General Data Protection Regulation (GDPR) and requests up to £914,000 over 4 years for IAA employment, software development, project management resource and other associated recommendations as detailed within the business case.

The GDPR will come into force in May 2018 and will considerably strengthen the compliance regime around collection and use of personal data. It is known that the regulator (the ICO) is bolstering its regulatory staff in preparation for this and can be expected to be an interventionist regulator.

It can be expected that the regulatory change will require the Council to both prepare for the start of enforcement next year, but also build compliance into ongoing operations, changes to corporate structure, engagement with partners and procurement/development of new systems. This business case proposes that the Council adopt a model built on the concept of Information Asset Ownership set out in ISO27001, and sets out to equip asset owners and their delegates with the tool necessary to manage their information. With the support of the central Information Governance Team, this model would appear to provide the most cost effective and resilient approach to development and maintenance of compliant processes for personal information.

### 2. Objectives

The project aims to co-ordinate activity across BHCC to ensure that the authority is prepared to demonstrate compliance with GDPR to supervisory authorities by May 2018. This will include the following tasks:

## Appendix 1 - Full Business Case and Options Appraisal

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- Devise and deploy a comprehensive communications plan to raise awareness across the organisation
  - Conduct a GDPR Readiness Assessment by mapping existing operational documentation and allow us to identify areas where privacy management must be enhanced to comply
  - Audit BHCC information assets - what information is held; where it is held, legal basis for processing; retention policy; sharing arrangements, etc.
  - Establish an Information Asset Framework across the Council, ensuring compliancy activities such as CoCo and IG Toolkit are factored into the framework to help manage work load
  - Refresh IG training and guidance to include changes brought about by GDPR and other legislative changes
  - Review and improve data breach processes and create a robust incident management process which should help mitigate information risk thus improving internal audit outcomes
  - Embed data management and privacy by design in standardised methods for business change, especially with regard to Digital First workstreams
  - Create a new consent model allowing the organisation to evidence and identify consent mechanisms and processes for processing data
  - Ensure services establish compliant processes for data retention/deletion
  - Provide a clear view of all information held across the Council which will allow us to assess the need to publish information saving time and costs of the Freedom of Information Request process.
  - Report meaningful metrics to stakeholders such as public, business, compliance and legal executives
- Where full compliance is not achieved, the project will ensure a clear plan is in place.

### 3. Background and context

The EU General Data Protection Regulation (GDPR) is new legislation which is intended to strengthen, unify and enhance data protection for all individuals within the European Union and will apply in the UK from 25 May 2018. The government has confirmed that the UK's decision to leave the EU will not affect the commencement of the GDPR.

The regulation applies to 'data controllers' (i.e. BHCC) and 'data processors' (agency acting on the controller's behalf) and, like the Data Protection Act 1998, applies to the 'personal data' of living people. However, the GDPR's definition of personal data is more expansive and reflects changes in technology and the way organizations collect and manage their information:

"personal data is any information relating to an individual, whether it relates to his or her private, professional or public life. It can be anything from a name, a home address, a photo, an email address, bank details, posts on social networking websites, medical information, or a computer's IP address."

The introduction of the GDPR places specific legal obligations on the authority (e.g. the requirement to maintain records of personal data and processing activities) and will require comprehensive changes to business operations.

Although there are a large amount of new legislative requirements, these bring with them collateral business benefits to the organisation.

*Which corporate priorities and principles (as outlined in the Corporate Plan) will it help deliver?*

## Appendix 1 - Full Business Case and Options Appraisal

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**Public Accountability** - Strengthening our partnership delivery arrangements and building collaborative, trustful and empowering relationships between council and citizens.

**Citizen Focused** – A council that starts from the citizen's point of view, making services simpler, more connected and more personal.

*What other programmes, projects or services does it link to?*

GDPR will link to multiple activity streams across the organisation such as:

- **Digital First** – One of the programmes highlights looks at bringing together data to help plan services for future and combat fraud.
- **Independent Inquiry into Child Sexual Abuse (IICSA)** - This Inquiry will investigate whether public bodies and other non-state institutions in England and Wales have taken seriously their responsibility to protect children from sexual abuse, and make meaningful recommendations for change in the future. GDPR focuses on lifecycle management and the need for appropriate retention periods. This will help us ensure records are appropriately managed and safely reviewed.
- **City Employment and Skills Plan** – One of the recommendations is to develop common data sharing and tools to better identify and support needs.
- **NHS Digital**– NHS Digital (formerly HSCIC) uses information and technology to improve health and care. BHCC's Health & Adult Social Care works closely with the NHS to look at how best to support and provide services to the community whilst decreasing demand through better access to care based on information sharing.
- **IG Toolkit** - NHS Digital (formerly HSCIC) requires all organisations to complete an annual self-assessment which looks at how organisations comply with legal rules and central guidance set out by Department of Health policy for information governance requirements.
- **Surveillance Camera Commissioner Self-Assessment** – The Protection of Freedoms Act 2012 places Local Authorities on a list of 'relevant authorities' (s.33 (5)) who must pay due regard to the code when using surveillance camera systems. BHCC is responsible for ensuring that your systems adhere to the twelve guiding principles in the code of practice. BHCC deploys surveillance equipment across the city and has responsibility for maintaining the CCTV framework in line with best practice requirements.
- **PSN CoCo Compliance** – BHCC complete a PSN assessment on an annual basis in order to be able to send and receive information over the Public Services Network. This assessment looks at the type of infrastructure used to connect to the network and outlines the Information Assurance (IA) requirements and commitments we need to meet.
- **OHMs System Re-procurement** - BHCC are looking to re-procure our Social Care and Housing systems. The capabilities acquired through this project will contribute to data quality and management of risk in both procurements.
- **Corporate Strategy** - The corporate strategy involves devolution of services in response to budgetary pressures. The information management capabilities acquired through this project will support safe data transfer in the context of these projects.

The project team are proposing the following options:

**Option 1: Do Nothing**

Use existing resource to implement the plan

**Option 2: Hub and Spoke:**

Project Management resource and legislation/analysis expertise will reside in the corporate centre (Legal, PIP and ICT), while information asset expertise within each service will carry out analysis and recommend/carry out the required changes within services, while locally, experts in the business processes and use of information will

## Appendix 1 - Full Business Case and Options Appraisal

liaise with the central resource whenever business changes impact on how personal information is to be kept or used.

The project will seek opportunities to share tools and techniques (and potentially resources) with partner organisations such as Orbis. It is not anticipated that external consultancy will be required.

### Option 3: Centralised model:

Create a small team within IT&D both to address the initial project but hold responsibility for functional compliance with the GDPR on an ongoing basis.

### 4. Preferred Option

*Indicate which is the preferred option of those described*

Option 2 is the recommended option on the basis that it best balances the risks and costs of compliance with the forthcoming regulation and fits with the existing information governance strategic approach.

#### OPTION 2

##### 1. Description of the option

*Describe the option that is being explored. Including any evidence base, this should include benchmarking data and needs analysis undertaken.*

The preferred option is to implement and develop an Information Asset Framework. There will be 6 stages to the successful implementation of the framework.

- 1) **Scoping** – looking at how many Information Asset Administrators are needed and how much information within each service area in order to undertake Stage 2.
- 2) **Data Discovery** – conducting information audits across each service area and documenting with Information Asset Register.
- 3) **Data Minimisation** – looking at what data should be held, clearing duplications of data, categorising information and linking in with Information Risk Register and Corporate Risk Register.
- 4) **GDPR Requirements** – ensuring all information and information assets are compliant with legislation, including implementing consent models, system re-procurement, legal basis for processing data, data privacy impact assessments etc.
- 5) **Data Utilisation** – exploring ways of utilising information held and adding benefits to business units within the organisation to better deliver services as per Corporate Plan and Principles.
- 6) **Maintenance and Support** – establish a community of practice amongst Information Asset Owners and Information Asset Administrators to ensure data is kept up to date; ensure consistent efficient processing, pool knowledge.

There is a need for a small co-ordinating team of IG experts in the corporate centre linking with business process/business information experts in services. It is anticipated that the staff within services areas could be moved into permanent 'information asset officer' roles with responsibility for information management and information governance within their service areas (including. data quality, FOI, open data, retention scheduling, and information handling training).

The preference is for deployment of existing staff with local knowledge to ensure data discovery work can be completed at the earliest convenience. By employing externally BHCC runs the risk of delayed actions due to induction, rapport building and local training. Existing members of staff would be beneficial as they will already have operational knowledge and have already established rapport with relevant colleagues, departments and

## Appendix 1 - Full Business Case and Options Appraisal

provider services if any.

### 2. Is this the preferred option?

*Yes or no and a brief explanation why.*

Yes.

**Option 2** is in line with best practice requirements and is being adopted by our Orbis partner authorities, East Sussex County Council and Surrey County Council. Joint working includes:

- IG leads that meet on a regular basis
- Sharing of templates and documentation including privacy impact assessments
- Aligned contract agreements and procurement
- Communications and awareness initiatives

Other similar local authorities have adopted the Information Asset Framework approach and have robust models that are published for other to benchmark against.

#### Reasons for not choosing other options

**Option 1** has legal implications which cannot be ignored. Selecting this option would inevitably place the LA on the radar of the Information Commissioner which has the power to levy fines and issue 'Stop Orders' which have the potential to undermine the day to day operations of the Council. In addition, the Council would expose itself to heightened risk of civil litigation.

**Option 3** will isolate the work stream to the IT&D service area and put constraints on budget, resource and capacity. It can also be reasonably expected to impact negatively on the quality of deliverables, with the potential to undermine both Data Protection rights and quality of business processes, The GDPR impacts across ALL service areas. IT& D do not have knowledge or capacity to take on such a large corporate project in an organisation so functionally diverse.

### 3. Cashable benefits

*What are the anticipated financial savings from the programme or project? Profile the savings over the lifetime of the programme or project.*

There will be no immediate savings from this project.

#### Legislative Requirement

Implementation and delivery of this project is a legislative requirement and cannot be avoided.

#### Cost Avoidance

This project should mitigate the risk and exposure of fines due to breach of information law, reduce the risk of reputational damage and reduce the risk of monitoring by the supervisory authority, Information Commissioner's Office.

Example: <http://www.itpro.co.uk/public-sector/24654/local-authorities-stung-by-hundreds-of-data-breaches-reveals-foi>

However, ultimately through a co-delivery approach greater pool of IG knowledge and experience leading to an improved approach to Information Management and IG there are a number of benefits associated.

In long term, there are anticipated savings around the need for publication which should arise from information audits. We will be able to identify what information we hold and be able to provide it to the public. This process is currently dealt through FOI Requests. In

## Appendix 1 - Full Business Case and Options Appraisal

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December 2016, an analysis was undertaken by the IG Team on ICT FOI Requests as demonstrated in **Appendix B**.

Over time, as digital by design and privacy by design are embedded in all relevant Council processes, there will be benefits in terms of reduced opportunity costs, which will be realised through streamlined ICT infrastructure, lower support costs and reduced duplication of effort.



## Appendix 1 - Full Business Case and Options Appraisal

### 4. Non-cashable benefits

*Every non-cashable benefit (or improvement) should be expressed in measurable terms, and the current situation understood and baselined before the programme or project is implemented. Include benefits from the perspective of the customer*

<b>Current situation</b>	<b>Benefit expected</b>	<b>Measured outcome that you hope to achieve</b>	<b>How will the benefit be measured?</b>
<b>Complaints with Information Commissioner 40% higher than 2015/16</b>	<ul style="list-style-type: none"> <li>Improved citizen trust</li> <li>Decline in complaints to ICO, freeing up capacity in the team</li> <li>Keeps us off the radar of the ICO for enforcement action and fines</li> </ul>	<ul style="list-style-type: none"> <li>Decline in complaints made to the supervisory body.</li> <li>Increased capacity within Data Protection Team for training and other workflows</li> </ul>	<ul style="list-style-type: none"> <li>IG Team report statistics and KPIs to the Information Governance Board</li> <li>Measurement against the Information Governance Strategy 2016 - 2018</li> </ul>
<b>Weak Data Analysis</b>	<ul style="list-style-type: none"> <li>Data analysis can be used to make forecasts and identify trends and patterns. This is great for the progress of the business in terms of profit as data analysis could lead to new marketing processes or other business decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Efficient processing of data</li> <li><i>Reductions in redundant, obsolete, trivial data with corresponding reductions in software and hardware costs</i></li> </ul>	<ul style="list-style-type: none"> <li>Regular compliance monitoring in information management</li> <li>IG Team report statistics and KPIs to the Information Governance Board</li> <li>Software licensing fees will decrease</li> <li>Internal Audit</li> </ul>
<b>Weak Incident Management Processes</b>	<ul style="list-style-type: none"> <li>Reduced Cost</li> <li>Increased awareness across organisation</li> <li>We are able to mitigate risks easily</li> <li>Reduce risk of compensation for data breaches</li> </ul>	<ul style="list-style-type: none"> <li>Greater staff awareness around reporting incidents</li> <li>Wider support and knowledge around risks</li> <li>Learning from incidents flows through to best business practice</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in incidents</li> <li>Improvements in operational processes</li> <li>Ability to strategically prioritise vulnerabilities arising from incidents</li> </ul>
<b>Privacy Impact Assessments are not a part of the current Change Management Process</b>	<ul style="list-style-type: none"> <li>Ensuring privacy by default</li> <li>Ensures that providers are compliant with best practice</li> <li>We are able to identify new collection of data and the legal basis for doing so</li> <li>Mitigates risk of weak information security controls where the Council is the data controller.</li> </ul>	<ul style="list-style-type: none"> <li><i>Due diligence within projects for personal data</i></li> <li><i>Reductions in redundant, obsolete, trivial data with corresponding reductions in software and hardware costs</i></li> </ul>	<ul style="list-style-type: none"> <li>Improved certainty of due diligence with suppliers</li> <li>Policy and procedures adhered to thus providing legal coverage</li> <li>Internal Audit</li> </ul>
<b>Lack of understanding around information held within service areas</b>	<ul style="list-style-type: none"> <li>Able to offer and deliver better services to citizens</li> <li>Able to publish information which would increase FOI requests and save costs.</li> </ul>	<ul style="list-style-type: none"> <li>Reductions in redundant, obsolete, trivial data with corresponding reductions in software and hardware costs</li> <li>Greater knowledge and support offers to the Public and internal officers.</li> </ul>	<ul style="list-style-type: none"> <li>Regular reviews of Information Asset Framework</li> <li>Performance KPIs for individual service areas</li> <li>Decrease in elapsed man hours for FOIs which are published</li> <li>Greater uptake of service by the Public</li> </ul>
<b>Data is held for longer than legally allowed</b>	<ul style="list-style-type: none"> <li>We are not holding data for no reason</li> <li>We are complying with legislation</li> </ul>	<ul style="list-style-type: none"> <li>Reductions in redundant, obsolete, trivial data with corresponding reductions in software and hardware costs</li> </ul>	<ul style="list-style-type: none"> <li>Annual destruction figures go down</li> <li>Cost savings for storage and disclosures</li> <li>System reporting on retention</li> </ul>
<b>Limited knowledge of the legal bases for processing information</b>	<ul style="list-style-type: none"> <li>Data is processed and managed appropriately under Information Law</li> <li>Mitigation of Enforcement action for inappropriate processing</li> </ul>	Staff are better able to communicate to the public how and why information is collected and processed	<ul style="list-style-type: none"> <li>Reduction of complaints</li> <li>Internal Audit</li> </ul>
<b>No current framework for Information Asset Management</b>	<ul style="list-style-type: none"> <li>Accountability for information assets across service areas</li> <li>Compliance activities relevant to assets are factored into</li> </ul>	<ul style="list-style-type: none"> <li>Assets are well managed in compliance with information rights and strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance reporting and performance reviews with IAOs and IAAs</li> <li>Community of Practice</li> </ul>

## Appendix 1 - Full Business Case and Options Appraisal

	<ul style="list-style-type: none"> <li>operational BAU activities, process design and policy.</li> <li>Provides ownership of information risk and controls</li> </ul>	<ul style="list-style-type: none"> <li>Information Assets are easily identifiable to the business</li> </ul>	<ul style="list-style-type: none"> <li>High quality service to internal and external customers</li> </ul>
<b>No current guidance and processes around Information Sharing with partner organisations and suppliers</b>	<ul style="list-style-type: none"> <li>Appropriate and legal agreements with partner organisations</li> <li>Ownership of liability of data breaches</li> <li>Ownership of subject access request processes</li> <li>Knowledge of access control that falls outside of the Council</li> <li>Information Sharing workflows to help people understand whether they need an agreement</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with information law</li> <li>Greater knowledge of who has access to information we collect</li> <li>Greater powers to enforce requirements upon processors</li> <li>Improved contract management/ supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>Internal Audit</li> <li>Contracts Management</li> <li>Reduced information sharing queries to IG Team thus giving capacity to team</li> </ul>
<b>Current poor public reputation for not being transparent with information</b>	<ul style="list-style-type: none"> <li>In line with the Local Transparency Code of Practice</li> <li>Supportive of Freedom of Information Act ;</li> <li>Publishing shows transparency</li> <li>Compliance with reuse of public sector information regulations 2015</li> </ul>	<ul style="list-style-type: none"> <li>Citizen trust</li> <li>Wider data control for the public</li> <li>Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Decrease in Freedom of Information Requests</li> <li>Decrease in Complaints to BHCC</li> <li>Decrease in complaints from Information Commissioner Office</li> </ul>

### 5. Costs (capital and revenue)

	Year 1	Year 2	Year 3	Year 4	Total
<b>Capital costs</b>					
Necessary compliance updates to existing software packages in council services	<b>£100,000</b>	None	None	None	<b>£100,000</b>
Contents Analytics (Software and Services)	<b>£100,000</b>	None	None	None	<b>£100,000</b>
Appropriate training materials and delivery tool	<b>£18,000</b> for training each IAA and IAO (45 people at £400 each) <b>£26,000</b> for micro-event training tool Also a need for new LMS (separate discussions to be held with key stakeholders)	No costs for core training as will integrate into modules within our own LMS system.	No costs for core training as will integrate into modules within our own LMS system	No costs for core training as will integrate into modules within our own LMS system	<b>£44,000</b>
In service backfill/fixed term contract posts to support initial compliance implementation within services	<b>£170,000</b>	<b>£92,500</b>	None Roles transfer to Business as usual within services	None	<b>£262,500</b>
Project Management, initial legal and procurement support, Information Governance and analysis support for implementation.	<b>£120,000</b>	<b>£17,500</b>	None	None	<b>£137,500</b>
<b>Total Capital costs</b>	<b>£534,000</b>	<b>£110,000</b>	<b>0</b>	<b>0</b>	<b>£644,000</b>

## Appendix 1 - Full Business Case and Options Appraisal

<b>Revenue costs</b>					
Contents Analytics (Software and Services)		<b>£60,000</b> Software Support	<b>£60,000</b> Software Support	<b>£60,000</b> Software Support	<b>180,000</b>
Ongoing legal Lawyer 0.5 FTE at M9		<b>£30,000</b>	<b>£30,000</b>	<b>£30,000</b>	<b>£90,000</b>
<b>Total Revenue:</b>		<b>£90,000</b>	<b>£90,000</b>	<b>£90,000</b>	<b>£270,000</b>
<b>6. Funding</b>					
<i>Have the budgets to fund the programme or project been identified? Specify which budgets.</i>					
n/a					
<i>Will the programme or project be in receipt of any funding? Profile the funding over the lifetime of the programme or project.</i>					
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Total</b>
n/a					
<i>Please identify the funding source(s)</i>					
n/a					
<b>7. Resources</b>					
<i>What staffing resources are required to deliver the programme or project?</i>					
<b>Service</b>	<b>Why are they required?</b>	<b>Quantify the requirement (fte)</b>	<b>When are they required?</b>	<b>Has the service been consulted and what did they say?</b>	<b>Are the staff available?</b>
Operational staff	To deliver project across individual service areas	Up to 30 FTE staff (including parts of existing staff's remits)	Deploy IAA's in October 2017	Already engaged	TBC
Communications	To help promote & publicise legislative changes	TBC	ASAP	Not yet	TBC
Finance	not likely to be required	n/a	n/a	n/a	n/a
Human Resources & Organisational Development	Ensure information roles are established and written into JDs/ contracts	n/a	By September 2017	TBC	TBC
ICT	Software redevelopment and contents analytics	3 FTE Staff	ASAP	Already engaged	TBC
Internal Audit	not likely to be required	n/a	n/a	n/a	n/a
International Team (knowledge of funding opportunities)	not likely to be required	n/a	n/a	n/a	n/a
Legal & Democratic Services	Lawyer	0.5 FTE	ASAP	Already engaged	TBC
Performance, Improvement & Programmes	To help form initial project group, project plan and help with business cases	1 FTE for 6 months	Already involved	Already engaged	Yes?
Policy, Communities & Equalities	not likely to be required	n/a	n/a	n/a	n/a
Procurement	To procure products and services, but this is likely to be under engagement	1 FTE post	September 2017	Already engaged. Agreed need for FTE post for training contract	TBC

## Appendix 1 - Full Business Case and Options Appraisal

	thresholds			managers and procurement processes in line with GDPR	
Property & Design	not likely to be required	n/a	n/a	n/a	n/a
Sustainability	not likely to be required	n/a	n/a	n/a	n/a
<i>Are any specialist skills required to deliver the programme or project (beyond those identified above)? If so, how will these be acquired?</i>					
<ul style="list-style-type: none"> <li>Existing IG resource within the IT&amp;D IG team</li> </ul>					

## Appendix 1 - Full Business Case and Options Appraisal

<b>8. Risks and opportunities</b> <i>Assess the risks and opportunities associated with the programme or project by using the council's Risk Management Framework and risk register template. List the most significant risks in the table below and the initial mitigating actions.</i>					
<b>Risk description</b>	<b>Potential consequences</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Likelihood x Impact</b>	<b>Mitigating controls and actions</b>
<b>Tougher penalties and fines and associated costs.</b>	<ul style="list-style-type: none"> <li>The cost of an attack on an organisation can have significant impact in addition to any regulatory action or immediate network issues.</li> <li>GDPR carry fines of up to €20M or up to 4 per cent of total global revenue of the preceding year, whichever is greater.</li> <li>Cost of brand and reputational damage post attack</li> </ul>	3	3	9	<ul style="list-style-type: none"> <li>Information Security Incident Reporting and Management Process will enable risks to be tracked, understood and treated.</li> <li>Establishment of an Information Asset Framework will reduce the amount of redundant, obsolete and trivial data held by the organisation. This will reduce the risk footprint associated with a use of incomplete or inaccurate data.</li> <li>Training of IAAs, IAOs, and all staff will improve information handling, reducing the chances of an impact on a citizen arising out of a data breach and any associated loss of trust in the Council.</li> </ul>
<b>Increased Complaints and Breaches</b>	<ul style="list-style-type: none"> <li>Reputational Damage</li> <li>Cost Avoidance of staff hours spent on complaints</li> <li>Threat of being placed into special measures by the regulator (ICO)</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Improvements to data quality, supporting improved customer experiences and developing trust with residents.</li> <li>Ability to monitor data quality and transactions will reduce the amount of negative resident interactions which result in ICO reports.</li> </ul>
<b>Data Privacy Impact Assessment and Privacy by Design (Article 20)</b>	<ul style="list-style-type: none"> <li>Processing activities that rely on new technology are more likely to result in a high risk for the rights and freedoms of individuals</li> <li>Large costs to re-procure and modify systems</li> <li>Loss of public trust due to lack of due diligence, resulting in increased cost of service delivery.</li> </ul>	5	4	20	<ul style="list-style-type: none"> <li>Assessing at the earliest convenience privacy risk to personal data used for processing activities across the business.</li> <li>Privacy Risk Assessments enable the organisation to mitigate information risk at the earliest convenience allows risks to be identified and treated early and reduces the likelihood of dead ends.</li> <li>The ability to produce DPIAs when challenged reduces the amount of time and cost in responding to public and ICO complaints.</li> </ul>
<b>Lack of ability to exercise</b>	<ul style="list-style-type: none"> <li>Discrimination, identity theft, fraud, financial loss, damage to reputation, loss of</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>Improved rapport between the Council and citizens</li> </ul>

## Appendix 1 - Full Business Case and Options Appraisal

<b>information rights for data subjects</b>	confidentiality, reversal of pseudonymization, significant economic social disadvantage, threat to life and safety.				<p>concerning data rights and data usage, leading to a reduction in complaints.</p> <ul style="list-style-type: none"> <li>- Improved information management producing the ability to evidence decisions and actions, resulting in public transparency</li> </ul>
<b>Lack of Understanding and Awareness and Training</b>	<ul style="list-style-type: none"> <li>• Staff not competent to comply with individual rights under GDPR</li> <li>• Misused information and information sent in error</li> <li>• Inefficient processing</li> <li>• The need for Privacy Impact Assessments is not well understood</li> <li>• Risk that Information Asset Ownership is not adequately adopted</li> </ul>	5	4	20	<ul style="list-style-type: none"> <li>- Training and awareness improves capabilities around data handling, data quality, transfer etc.</li> <li>- Identification of authentic single sources of content improves the ability to collaborate and enhances efficiencies.</li> <li>- PIAs built into processes for business changes, system change, procurement and partnership working. Staff awareness campaign ensures that these are used.</li> <li>- Development of policy, process and training for the IG framework equips relevant officers to perform these roles.</li> </ul>
<b>Subject Access Requests</b>	<ul style="list-style-type: none"> <li>• Failure to comply with new 30 day statutory time limits for completing SARs, exposing the Council to monetary Penalties</li> </ul>	5	4	20	<ul style="list-style-type: none"> <li>- Deployment of i-casework solution to reduce the administrative overhead of SAR processing and enable request tracking.</li> </ul>
<b>Lack of ability to record and prove we have obtained informed Consent for Children</b>	<ul style="list-style-type: none"> <li>• Risk of escalation to the Information Commissioners Office.</li> </ul>	2	2	4	<ul style="list-style-type: none"> <li>- Business Improvement review of Children's Services SARs resulting in recommendations for improvements to process and to support from the central IG Team, will help to ensure that the subject access rights of children are adhered to.</li> </ul>
<b>Consent (lack of ways to evidence explicit consent and withdraw of that consent)</b>	<ul style="list-style-type: none"> <li>• Inappropriate and unlawful processing of personal data</li> <li>• Inability to prove consent based processing is lawful</li> <li>• Non compliance with GDPR (Articles 18 – 21)</li> <li>• Likely compensation for complaints</li> </ul>	4	3	12	<ul style="list-style-type: none"> <li>- The creation of a corporate golden record for residents by DF will give visibility on consents provided by them.</li> <li>- Consent flagging within core systems will prompt staff to obtain informed consents in a timely manner, thus reducing the cost and effort of complaints handling.</li> </ul>
<b>Incident Management (Lack of process and performance)</b>	<ul style="list-style-type: none"> <li>• Lack of flow from incident lessons to service improvements resulting in continuous bad practice</li> <li>• Similar patterns of breaches becoming of attention to the ICO.</li> </ul>	4	4	16	<ul style="list-style-type: none"> <li>- Propagation of incident management capability within the wider organisation will allow incidents to be resolved and learning</li> </ul>

## Appendix 1 - Full Business Case and Options Appraisal

KPIs for IG service)					absorbed more quickly.
<b>Legal Basis for Processing Data</b>	<ul style="list-style-type: none"> <li>Risk of unlawfully storing or using data</li> <li>Unable to demonstrate where data is legally processed</li> </ul>	2	2	4	- Data discovery exercise allows us to identify information held, legal basis for processing and ensure that new data purposes are subject to adequate controls.
<b>Lack of mature Information Asset Framework and Information Asset Ownership</b>	<ul style="list-style-type: none"> <li>No accountability for assets</li> <li>Not currently a responsibility under JD's</li> <li>No up to date data flow mapping</li> <li>Unclear escalation paths for breaches within service areas linking with IG Team</li> <li>We hold a lot of obsolete, redundant and inadequate data</li> <li>Annual Destruction not complied with</li> </ul>	5	3	15	- Implementation of Information Asset Framework with added accountability to GDPR Programme Board and Community of Practice allowing a business as usual model to monitor performance of IAO area which allows the organisation to identify gaps in controls.

## Appendix 1 - Full Business Case and Options Appraisal

### 9. Outline programme or project plan

*Indicate the timeline for the programme or project with key milestones, including when decisions are needed and by whom, and deliverables.*

An Information Governance Projects Timeline is provided in **Appendix A**.

### 10. Stakeholder consultation

*List any consultations with stakeholders and the findings. Examples of stakeholders include citizens, staff, partner organisations, Members.*

**Citizens** - Citizens will need to be informed of their new rights under EU GDPR. Articles 15 - 22 states that we should inform data subjects of their individual rights and ensure they are given appropriate methods for exercising these. Article 12(5) of GDPR, states the fee must be scrapped, this might lead to an increase in Subject Access Requests. If we can streamline the process we may be able to reduce the impact of citizens exercising blanket information rights through Subject Access.

**Staff** – employees are impacted by GDPR as well, we hold a lot of data on employees and their rights must be adhered to. We need to ensure individual staff are compliant and competent across the corporate, to mitigate against incidents, data breaches and misconduct. This is covered by clauses within job descriptions, code of conduct and contracts but needs to be applied on an operational level through appropriate induction materials, ongoing CPD

**Partner Organisations** – Partner organisations must be engaged. GDPR places specific requirements on data processors as well as controllers. All partner organisations and suppliers must be held to appropriate data quality standards to ensure that individual rights are met within software and systems and the sharing of information across providers.

**However, as Data Controller the Council will be primarily responsible for ensuring that only adequate and relevant data is transferred to partner's organisations.**

**Councillors** – As data controllers in their own right, they need to be aware of the implications GDPR has on them. Councillors are sole data controllers for the purposes of constituency business, but also handle data which is under the data control of the Local Authority and the political parties they are aligned with. Accordingly, Councillors will need to be supported in understanding their unique role as data controller and data processor in order to effectively operate as 'middle man' between the Council and the public voice. If done effectively, this should help to improve citizen's trust.

### 11. Equalities

*Has an Equalities Impact Assessment been conducted for the programme or project? Is one required? When will it be undertaken?*

We do not believe an Equalities Impact Assessment needs to be conducted for this project. However, there are requirements around rights of data subjects which will require Equality Impact Assessments to be completed whilst during up work processes for dealing with the following:

- Informed consent
- Right to erasure
- Right to object



## Appendix 1 - Full Business Case and Options Appraisal

- Right to restrict processing
- Right to withdraw consent
- Right to rectification

There will be a need for an EIA for informed consent. As we will face issues around informed consent for different groups in the community and this should help us engage the audience with the need for investment.

### 12. Sustainability

*What significant environmental impacts is the project likely to have?  
Are there any implications for the local economy and local communities?*

There is no evidence of impact to the local economy or local communities. However, it may be that sustainability of adequate citizen information overtime will be a factor.

#### Authority to proceed

*This business case needs to be approved via the appropriate governance route before the programme or project can be implemented. Please complete the table below to confirm where this authority was obtained. Please ensure the agreement was minuted*

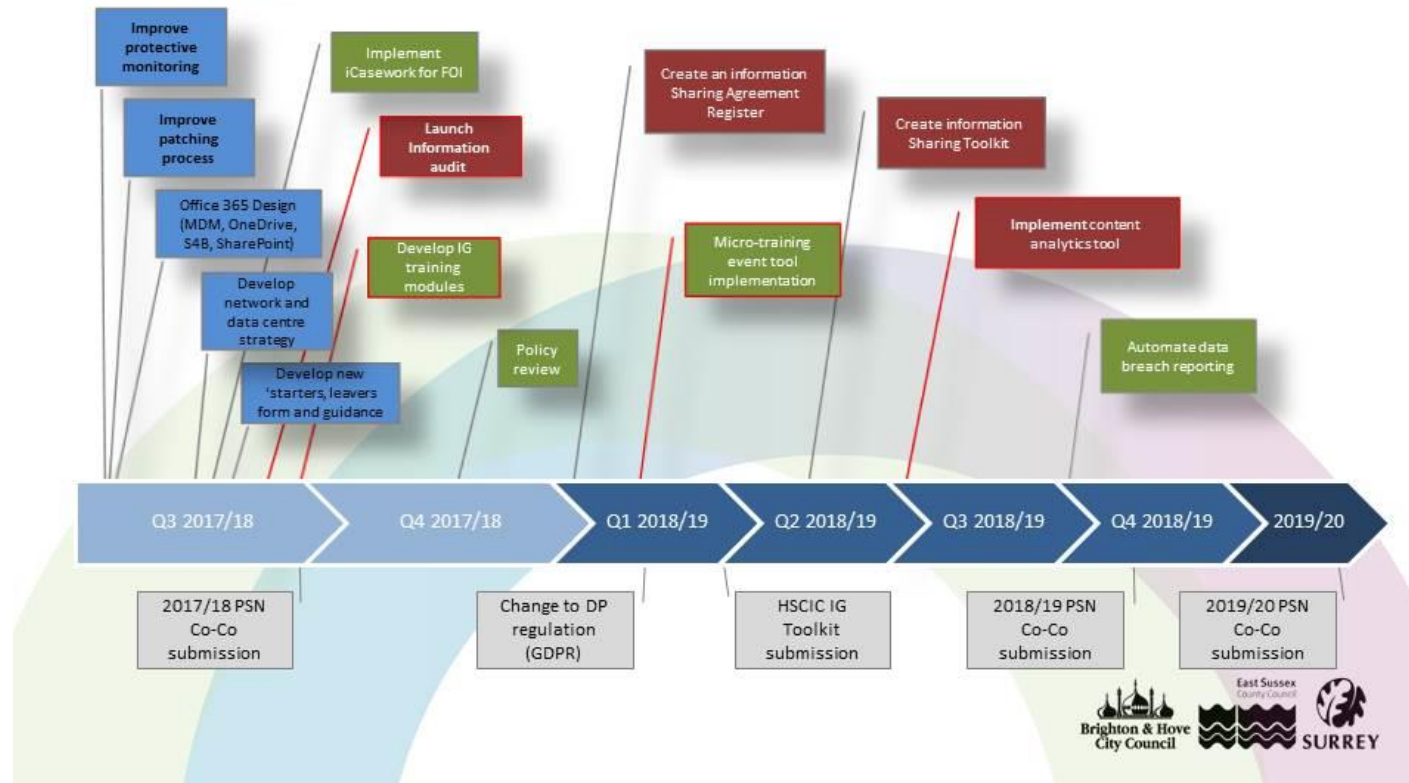
Meeting where authority to proceed was obtained	Date of meeting
Corporate Modernisation Delivery Board	11 <sup>th</sup> October 2017

### Appendix A: Information Governance Projects Timeline

#### High Level Timeline



- Estimated timeline for key projects (red line items are dependant on investment)

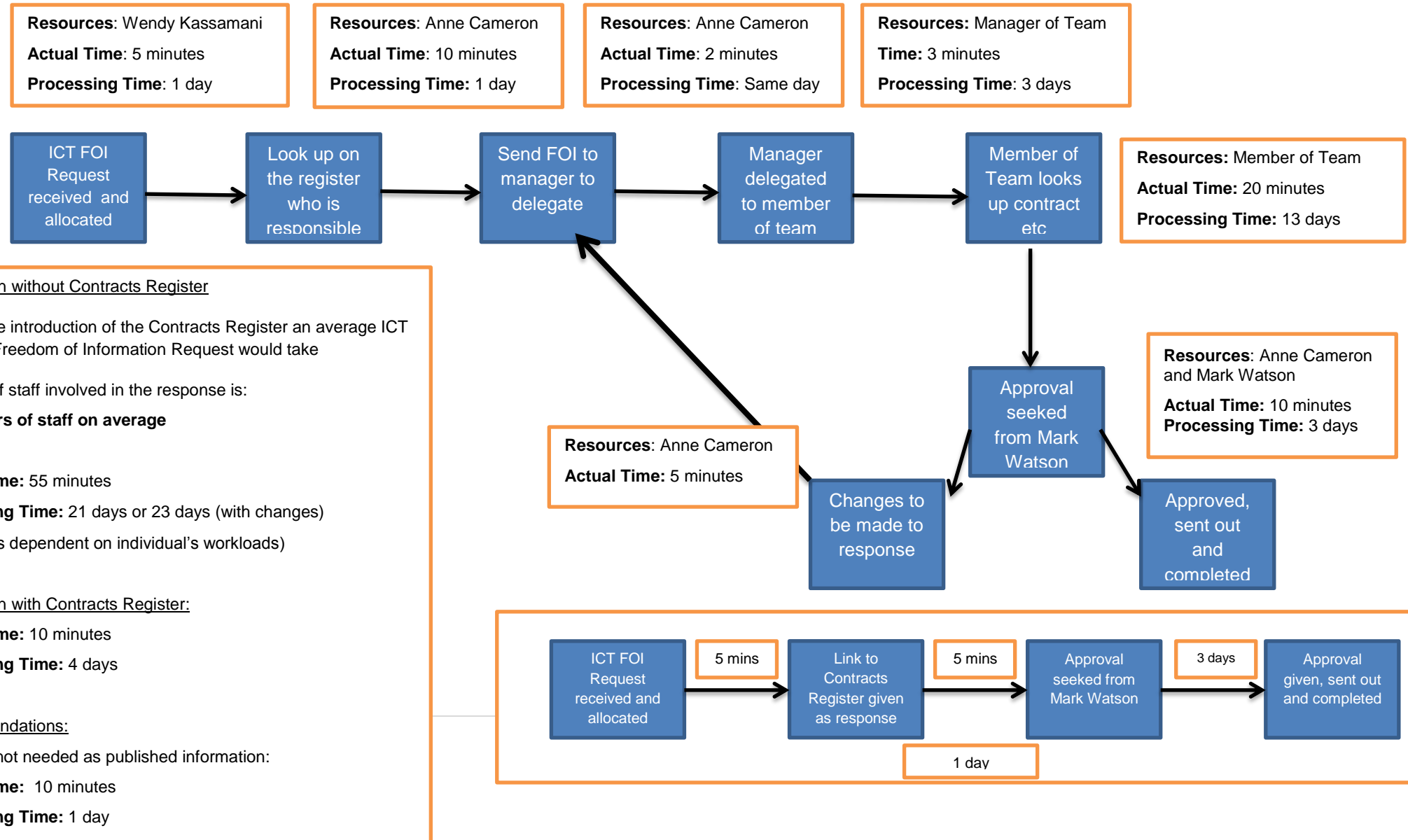


## Appendix 1 - Full Business Case and Options



### Appendix B: Process for Freedom of Information Requests: ICT Contracts

Created: 19<sup>th</sup> October 2016





<b>Subject:</b>	<b>Trade Union Recognition Agreement</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Katie Ogden</b>	<b>Tel: 01273 291299</b>
	<b>Email:</b>	<b>katie.ogden@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 Brighton & Hove City Council has, since its inception, granted union recognition to both GMB and Unison on a voluntary basis. This agreement has not, until this time, been formally documented in writing. At the request of the unions an agreement has been drafted and is attached to this report as Appendix 1.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee authorises the Head of Human Resources & Organisational Development to sign the attached voluntary Recognition Agreement on behalf of the council.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Trade union recognition is a process by which an employer sets out the areas where a union is able to act on behalf of a group of workers for a particular purpose. It can take many forms but is more commonly associated with recognition for representation and consultation purposes, as well as for collective bargaining.
- 3.2 Collective bargaining is defined under S. 178 (1) & S.178 (2) of TULR(C)A, as 'negotiations relating to or connected with' one or more of the following matters;
- terms and conditions of employment or the physical conditions in which any workers are required to work;
  - engagement or non-engagement, or termination or suspension of employment or the duties of employment of one or more workers;
  - allocation of work or the duties of employment as between workers or groups of workers;
  - matters of discipline;
  - a worker's membership or non-membership of a trade union;
  - facilities for officials of trade unions; and
  - machinery for negotiation or consultation and other procedures, relating to any of the above matters, including the recognition by employers or employers' associations of the right of a trade union to represent workers

in any such negotiation or consultation or in the carrying out of such procedures.

- 3.3 A union securing recognition has statutory consultation rights on issues such as: collective redundancies; business transfers; health and safety matters; and certain changes to workers' pension entitlements. Its local representatives also gain rights to time off at work, paid by the employer when undertaking union duties, unpaid when simply pursuing union activities.
- 3.4 The majority of recognition agreements are reached on a voluntary basis, are not legally binding, and are made as a result of discussions between employers and unions. A union denied recognition by an employer may make an application for statutory recognition to the Conciliation and Arbitration Committee (CAC). Statutory recognition will normally last for a minimum of three years and cannot be ended unilaterally by the employer, even after the end of the period, except through a process of de-recognition. It is legally binding on the parties. However statutory recognition isn't imposed by the CAC where a voluntary agreement exists.
- 3.5 Both GMB and Unison are recognised at a national level by the Local Government Association for collective bargaining on behalf of the local government workforce. Brighton & Hove City Council has recognised GMB and Unison since its creation in 1997 for individual representation, collective consultation and bargaining. This is a voluntary agreement and has not been recorded in writing as a 'Recognition Agreement'. The council does have a written agreement on paid time off for union representatives, known as a 'Facilities Agreement'. This provides details on matters for which the council provides paid and unpaid release for the representatives of its recognised unions. The council also has written terms of reference for its Joint Staff Consultation Forum.
- 3.6 No other union has sought recognition and unless another union acquired significant membership it is unlikely that this would be granted.
- 3.7 The draft Recognition Agreement sets out some general principles including a joint commitment to develop a positive working relationship and work constructively together to find solutions to any problems that arise. The Recognition Agreement is one element of the work being undertaken to re-set the council's relationship with its trade unions, as recommended by the LGA Peer Review.
- 3.8 The benefits of having a written agreement also include the opportunity to provide clarity for all parties regarding its scope, a commitment to confidentiality and to share information at an early stage, as well as a formal review period of every three years and a twelve month notice provision. The agreement is also incorporated into individual employment contracts (see paragraph 6.7 of the draft agreement). The draft covering letter accompanying new contracts of employment contains the following statement;

"As an employer, we recognise that our employees may wish to be members of trade unions and have those unions represent them individually and collectively negotiate on their behalf. To support this, we

have agreed a Trade Union Recognition Agreement with our recognised Trade Unions, GMB and Unison, and keep it regularly under review.”

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 Voluntary recognition of unions within local authorities is widespread and typically reflects the current position at this council. Many have captured the terms within a written collective agreement. The Local Government Association (LGA) have said that it is rare to have a legally binding agreement within the public sector
- 4.2 The unions desire a legally binding agreement in the belief that this would ensure any future employer following a transfer of a service (under TUPE) is required to maintain the existing recognition agreement. An application to the Conciliation and Arbitration Committee (CAC) is inadmissible where no formal request for recognition has been made to the employer and the CAC process is designed to deal only with employers who are unwilling to recognise unions.
- 4.3 The unions therefore wish to have the Recognition Agreement incorporated into individual employment contracts as they believe this will secure recognition by future employers. The council's position is that recognition would depend on the will of any future employer and the nature of the work to be transferred.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 The content of this report has been discussed with GMB and Unison and the attached draft agreement shared with them

#### **6. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 6.1 Some organisations who do not currently recognise trade unions, or who do so voluntarily, may be deterred from bidding to run council services and this may limit competition. In such circumstances bidders may also price in a premium to cover perceived extra costs.

*Finance Officer Consulted: David Kuenssberg*

*Date: 21 November 2017*

##### Legal Implications:

- 6.2 Should either the Council or the recognised Trade Unions seek to terminate the Recognition Agreement as set out at Appendix 1 of the report, a 12 month notice period will be required. Alternatively, the parties are free to agree changes to the agreement by mutual consent.
- 6.3 With a Recognition Agreement in place, the Council would expect Trade Union Recognition to transfer to a new employer where the workforce retains a distinct identity post transfer. There are circumstances where trade union recognition would not transfer to a new employer under TUPE, even with a Recognition Agreement in place that was stated to be legally binding. In particular, Regulation 6(1) of the TUPE Regulations states that Trade Union recognition will not

automatically transfer where the workforce does not retain a distinct identity or management autonomy post transfer. This is the case regardless of how the recognition has come into being (through contractual, voluntary or statutory means). Further, even where there was a retention of identity or autonomy post transfer, a new contractor is able to vary or rescind Trade Union recognition upon giving the requisite notice under the Recognition Agreement.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 21 November 2017*

Equalities Implications:

- 6.4 There are no equalities implications arising from this report.

Sustainability Implications:

- 6.5 There are no direct sustainability implications arising from this report.

Any Other Significant Implications:

- 6.6 The council also consults and collectively bargains with a number of unions representing teaching staff. They too may seek written voluntary Recognition Agreements.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Draft Collective Agreement between Brighton & Hove City Councils and GMB & Unison

### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. Trade Union and Labour Relations (Consolidation) Act 1992



## APPENDIX 1

### Brighton & Hove City Council Trade Union Recognition Agreement

#### 1 Parties to the Agreement

This Agreement is made on xxxxxxxx between:

Brighton & Hove City Council of Hove Town Hall, Norton Road, Hove, BN3 3BQ

AND GMB of 49 Church Road, Hove, BN3 2BE

AND UNISON of 179 Preston Road, Brighton, BN1 6AG

#### 2 Commencement date

- 2.1 This Agreement commences on xxxxx and supersedes all previous versions of this Agreement.

#### 3 Definitions and Interpretation

- 3.1 Throughout this Agreement:

**The Council** - refers to Brighton & Hove City Council (the Employer)

**Employees** - for the purposes of this Agreement only, employees refers to individuals employed under a contract of employment by the Council or a voluntary-aided school within the City of Brighton & Hove as well as to those individuals engaged by these employers, from time to time, to undertake work assignments on a casual basis. For the avoidance of doubt this excludes:

- any individual employed by, or otherwise engaged to carry out work at an Academy or Free School within the City of Brighton & Hove
- interims, interns and individual(s) undertaking work assignments with the council via an Employment Agency or other limited companies
- consultants and contractors working on behalf of the council
- volunteers
- individuals who are self-employed
- individuals seconded to the council from other organisations who remain contracted employees of the organisation from which they are seconded

**Trade Unions** - refers to the council's recognised Trade Unions, GMB and Unison

**Negotiation** - means engaging in dialogue with a view to reaching agreement

**Consultation** - means engaging in dialogue when proposals are still at a formative stage so that the Council is able to take account of the views of the Trade Unions before decisions are made and implemented.

## **4 Trade Union Recognition**

- 4.1 The council formally recognises GMB and Unison as the Trade Unions representing Brighton & Hove City Council employees. The facilities for our recognised Trade Unions are set out in the council's Facilities Agreement.

## **5 Employees covered by this Agreement**

- 5.1 This Agreement covers all employees of Brighton & Hove City whose terms and conditions of employment are governed by the following negotiating bodies:
- National Joint Council for Local Government Services (commonly known as the "Green Book")
  - Joint Negotiating Committee for Youth and Community Workers (commonly known as the "Pink Book")
  - Joint Negotiating Committee for Chief Officers (commonly known as the "Blue Book")
  - any other negotiating body relating to group(s) of employees who have been transferred to the council's employment following a TUPE transfer.
- 5.2 This Agreement specifically excludes employees whose terms and conditions of employment are governed by the "Conditions of Service for School Teachers in England and Wales" (commonly known as the "Burgundy Book).

## **6. General Principles**

- 6.1 The Council acknowledges that its employees may wish to join a Trade Union and have that Union represent them in matters relating to their employment.
- 6.2 The council acknowledges the Trade Unions' responsibility to represent the interests of their members, both on an individual and collective basis.
- 6.3 The Trade Unions recognise that the council has a responsibility to plan, organise and manage the work of the organisation in order to deliver high quality, cost effective services to all the residents of Brighton and Hove.
- 6.4 The council and Trade Unions recognise their common interest in furthering the aims and objectives of the council whilst recognising that there may be legitimate interests of both parties that need to be reconciled.
- 6.5 The council and Trade Unions are committed to developing a positive relationship based on trust, transparency and respect in order that they can work constructively together to jointly analyse problems and find solutions to resolve them.

- 6.6 The council and the Trade Unions recognise the importance of sharing information at the earliest opportunity to facilitate productive consultation and collective bargaining. The council and the Trade Unions undertake not to share further any information expressly provided to them in confidence with a rationale for the confidentiality.
- 6.7 The Council and the Trade Unions accept that the terms of this Agreement are legally binding upon them and will continue indefinitely (subject to paragraph 9 and 10) . They also accept that this Agreement (as amended see paragraph 9 below) is incorporated into employees' individual contracts of employment.

## **7 Scope of this Agreement**

- 7.1 The council undertakes to consult and negotiate with its recognised Trade Unions in accordance with its employment policies and procedures and statutory obligations.

## **8 Relationship between this Agreement and other national collective agreements**

- 8.1 Nothing in this Agreement will affect the collective bargaining rights of the Trade Unions with Local Government Employers at a national level.
- 8.2 Terms and conditions of employment negotiated and agreed between the Employer and Trade Union sides at a national level that apply to the council's employees will be excluded from the scope of this Agreement.
- 8.3 However, this Agreement will apply should the council intend not to adopt, or to vary, any provision(s) incorporated within those collective agreements.

## **9 Variation of this Agreement**

- 9.1 The parties to this Agreement may agree to vary any of the terms within it by mutual agreement at any time. Any such amendments made will be recorded in writing and this document revised accordingly.

## **10 Review of this Agreement**

- 10.1 This Agreement will be formally reviewed every three years by the Parties named in Paragraph 1 of this Agreement.
- 10.2 This Agreement can be reviewed before the scheduled review date in the following circumstances:
- one or more of the Parties to the Agreement submits a written request setting out the reasons for a review or

- another Trade Union seeks recognition for collective bargaining purposes from the Council.

## **11 Termination of this Agreement**

11.1 This Agreement can be terminated by any party by giving twelve months notice in writing.

-----  
Alison McManamon  
Head of Human Resources &  
Organisational Development

-----  
Date

Signed for and on behalf of Brighton & Hove City Council

-----  
Mark Turner  
GMB Convenor

-----  
Date

Signed for and on behalf of GMB

-----  
Sue Beatty  
Branch Secretary

-----  
Date

Signed for and on behalf of Unison

<b>Subject:</b>	<b>Timetable of Meetings 2018/19</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b>		
<b>Report of:</b>	<b>Executive Lead for Strategy, Governance &amp; Law</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Mark Wall</b>	<b>Tel: 01273 291006</b>
	<b>Email:</b>	<a href="mailto:mark.wall@brighton-hove.gov.uk"><u>mark.wall@brighton-hove.gov.uk</u></a>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 To consider the proposed schedule of meetings for the municipal year 2018/19 (see appendix 2) based on the current meetings timetable and taking into account the local elections scheduled for the 2<sup>nd</sup> May 2019.

**2. RECOMMENDATIONS:**

- 2.1 That the proposed timetable of meetings for the 2018-19 municipal year be agreed; subject to any necessary amendments following changes to the Constitution and/or committees' requirements.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The report outlines the proposed schedule of meetings for 2018/19 and enables Members and members of the public to identify when various committees are due to meet throughout the year.

**4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

- 4.1 The proposed timetable for 2018/19 maintains a similar cycle of meetings to those in 2017/18; but concludes earlier in 2019 to allow for the local election period. It takes into account the additional meetings of the Health & Wellbeing Board, the Greater Brighton Economic Board and various project boards, as well as changes to school holiday periods. In summary, the proposals are:-

Full Council:

5 Ordinary Council meetings,  
plus the Annual Council and Budget Council      7 meetings in total

Policy Committees:

Policy, Resources & Growth:	6 meetings
Children, Young People & Skills:	5 meetings
Environment, Transport & Sustainability:	5 meetings

Housing & New Homes:	5 meetings
Neighbourhoods, Inclusion, Communities & Equalities	5 meetings
Tourism, Development & Culture:	5 meetings

#### Regulatory Committees:

Planning:	11 meetings
Audit & Standards:	4 meetings
Licensing:	3 meetings

#### Sub-Committees:

Licensing Panels:	Weekly
Personnel Appeals:	3/4 per Month

#### Health Overview & Scrutiny Committee:

Health Overview & Scrutiny:	4 meetings
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#### Forums/Other Bodies:

Corporate Parenting Board:	Quarterly
Procurement Board	Monthly
Strategic Delivery Board	Monthly

#### Partnerships:

Greater Brighton Economic Board	Quarterly
Health & Wellbeing Board:	6 meetings

- 4.2 The proposed timetable for 2018/19 provides for a total of 60 committee meetings, 10 partnership board meetings and 21 board meetings, excluding the number of licensing panels and personnel appeals (see Appendix 2).

### **Governing Principles for the Meetings Timetable**

- 4.3 The following guidelines have been applied in reviewing the meetings timetable:
- As far as possible clashes of meetings have been avoided. However, inevitably, given the constraints of avoiding school/public/religious holidays and the number of meetings to be accommodated on specific days of the week, there are occasions where there are overlaps of meetings.
  - What appear at the moment to be “free” days will be filled by Licensing Panel hearings and the various Chairs’ pre-meetings and political group meetings.
  - As far as possible meetings have not been scheduled on Fridays.
  - As far as possible school holidays, religious holidays and party conference weeks have been avoided, although it has not been possible to keep those weeks completely clear.

- Meeting start times are generally scheduled for 4pm or later to encourage public attendance. However, Committees can determine whether to continue with the programmed start time or if an alternative time would be more appropriate for their particular meeting.
- 4.4 There must be a sufficient number of meetings to enable the council business to be transacted. The schedule of Council and Committee meetings is designed to ensure that:
- Committee and scrutiny reports can be received without undue delay;
  - Consideration of the various plans and strategies to be adopted by Full Council can be accommodated;
  - There is scope to accommodate city-wide debates if necessary; and
  - Public interest and participation through questions, deputations, petitions and petition debates continues to be facilitated.
- 4.5 The Health Overview & Scrutiny Committee is programmed to meet quarterly in line with the Overview and Scrutiny rules.
- 4.6 Whilst every effort will be made to keep meetings on the dates listed there may be a need to alter them and additional meetings may be required for dedicated debates on key issues or particular plans and strategies.
- 4.7 As usual, a number of further meetings, which are not part of the Council's formal meetings cycle, have been programmed to meet on a regular basis e.g. the Health & Wellbeing Board, Procurement Board, the Corporate Parenting Board, the Strategic Delivery Board and the Greater Brighton Economic Board.
- 4.8 An additional day for a reconvened Budget Council meeting has also be included in the proposed time-table so that the date can be held in diaries should the need arise for such a meeting.

## **5. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 Leading Members, Directors and appropriate officers have been consulted on the proposed timetable and appropriate committee and council dates set to meet statutory requirements e.g. Budget Council.

## **6. CONCLUSION**

- 6.1 The time table also lists the dates and times of other meetings such as; Housing Area Panels, the Police & Crime Panel, City Management Board, the East Sussex Fire Authority and the Brighton & Hove Strategic Partnership Board; and as such there are occasional clashes with council meetings which are unavoidable.

## **7. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 7.1 The overall number of meetings proposed is similar to the current financial year and so not expected to have any significant financial implications. The additional

costs for hire, security and refreshments arising from the decision to continue to hold Neighbourhoods, Inclusion, Communities & Equalities Committee meetings in venues across the city will be met from within existing resources.

*Finance Officer Consulted: Peter Francis*

*Date: 31.10.17*

Legal Implications:

- 7.2 The proposed time table of meetings does not prevent the calling of Special Meetings or the use of Urgency Sub-Committee meetings should circumstances arise. However it does enable a more organised scheduling of meetings to be maintained throughout the municipal year.
- 7.3 The proposed time table allows for continued compliance with the Access to Information Procedure Rules set out in Part 7.1 of the Constitution

*Lawyer Consulted:*

*Abraham Ghebre-Ghiorghis*

*Date: 31.10.17*

Equalities Implications:

- 7.4 The majority of meetings are scheduled for 4.00pm or later to encourage public attendance and interest. Holiday periods including school holidays and Party conferences are also avoided as far as is feasible.
- 7.5 The scheduling of meetings at 4.00pm or later does impact on some Members in regard to work and child care commitments and therefore may restrict their ability to serve on certain committees. However, the question of earlier start times has been raised and discussed at various levels and the majority of Members remain in favour of the general start time of 4.00pm for committee meetings.

Sustainability Implications:

- 7.6 There are no sustainability implications arising from the report.

Crime & Disorder Implications:

- 7.7 There are no direct crime & disorder implications arising from the report, however considerations are taken into account for each meeting and security arrangements put in place accordingly.

Risk and Opportunity Management Implications:

- 7.8 The scheduling of meetings aims to accommodate the decision-making processes for the year, but there is always the possibility of additional meetings having to be called.

Public Health Implications:

- 7.9 There are no public health implications in the report and all venues to be used have been assessed for access, hearing loops and health and safety measures.



Corporate / Citywide Implications:

- 7.10 The scheduling of meetings accommodates the Council priority for open and effective city leadership.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Proposed time table of meetings for 2018-19

**Documents in Members' Rooms**

1. None

**Background Documents**

1. Committee time table for 2017-18



# **BRIGHTON & HOVE CITY COUNCIL**

## **TIMETABLE OF MEETINGS 2018/19**

2018	MAY	MAY	MAY	MAY / JUNE	JUNE	JUNE	JUNE
MONDAY	7 BH <i>May Day</i>	14	21 East Area Housing Panel 7.00pm Personnel Appeals 10am	28 BH	4	11 Personnel Appeals 10am Corporate Parenting Board 4.00pm	18  Children, Young People & Skills Cttee 4.00pm
TUESDAY	8 Site Visits for Planning 2.00pm <i>Pre-application presentation</i>	15	22 Strategic Delivery Board 2.00pm North Area Housing Panel 7.00pm	29 SH	5 Site Visits for Planning 2.00pm <i>Pre-application presentation</i>	12 Health & Wellbeing Board 4.00pm	19 Strategic Delivery Board 2.00pm
WEDNESDAY	9  Planning Cttee 2.00pm	16	23 Central Area Housing Panel 2.00pm	30 SH	6  Planning Cttee 2.00pm	13  Housing & New Homes Cttee 4.00pm	20
THURSDAY	10	17  ANNUAL COUNCIL 4.30pm	24 West Area Housing Panel 2.00pm	31 SH	7	14 <i>Eid-al-Fitr</i>	21  Tourism Development & Culture Cttee 4.00pm
FRIDAY	11	18	25 Personnel Appeals 10am	1 SH	8 <i>Better Brighton Board 2.00pm</i>	15 <i>Eid-al-Fitr</i> Personnel Appeals 10am	22

2018	JUNE	JULY	JULY	JULY	JULY	JULY / AUG	AUGUST
MONDAY	25 <b>Procurement Board 2.00pm</b>	2 Personnel Appeals 10am  <b>Neighbourhoods, Inclusion, Communities &amp; Equalities Cttee 4.00pm</b>	9	16 Personnel Appeals 10am	23	30 SH	6 BH
TUESDAY	26 <i>City Management Board 9.30am</i>  <b>Environment, Transport &amp; Sustainability Cttee 4.00pm</b>	3 <i>LGA Conference</i>	10 Site Visits for Planning 2.00pm <i>Pre-application presentation</i>  <b>Health &amp; Wellbeing Board 4.00pm</b>	17 <b>Greater Brighton Economic Board 10.00am</b>	24 <b>Strategic Delivery Board 2.00pm</b>  <b>Audit &amp; Standards Cttee 4.00pm</b>	31 SH	7 SH
WEDNESDAY	27  <b>Health Overview &amp; Scrutiny Cttee 4.00pm</b>	4 <i>LGA Conference</i>	11  <b>Planning Cttee 2.00pm</b>	18	25 SH	1 SH	8 SH
THURSDAY	28 <i>East Sussex Fire Authority 10.30am</i>  <b>Licensing Cttee 3.00pm</b>	5 <i>LGA Conference</i>	12  <b>Policy, Resources &amp; Growth Cttee 4.00pm</b>	19  <b>COUNCIL 4.30pm</b>	26 SH	2 SH <i>Better Brighton Board 2.00pm</i>	9 SH
FRIDAY	29	6 Personnel Appeals 10am	13	20 Personnel Appeals 10am	27 SH	3 SH	10 SH

2018	AUGUST	AUGUST	AUGUST	SEPTEMBER	SEPTEMBER	SEPTEMBER	SEPTEMBER
MONDAY	13 SH	20 SH Procurement Board 2.00pm	27 BH	3 SH Personnel Appeals 10am	10 Rosh Hashanah	17 Lib Dem Party Conference Personnel Appeals 10am  Children, Young People & Skills Cttee 4.00pm	24 Labour Party Conference Green Party Conference
TUESDAY	14 SH Site Visits for Planning 2.00pm Pre-application presentation	21 SH	28 SH	4	11 Rosh Hashanah Site Visits for Planning 2.00pm Pre-application presentation Strategic Delivery Board 2.00pm  Health & Wellbeing Board 4.00pm	18 Lib Dem Party Conference  Audit & Standards Cttee 4.00pm	25 Labour Party Conference Green Party Conference
WEDNESDAY	15 SH  Planning Cttee 2.00pm	22 SH	29 SH	5	12  Planning Cttee 2.00pm	19  Housing & New Homes Cttee 4.00pm	26 Labour Party Conference
THURSDAY	16 SH	23 SH	30 SH	6	13	20	27  Tourism, Development & Culture Cttee 4.00pm
FRIDAY	17 SH	24 SH	31 SH	7 Personnel Appeals 10am	14	21	28

2018	OCTOBER	OCTOBER	OCTOBER	OCTOBER	OCT/NOV	NOVEMBER	NOVEMBER
MONDAY	1 <i>Conservative Party Conference</i>	8 <i>Personnel Appeals</i> 10am  <b>Neighbourhoods, Inclusion, Communities &amp; Equalities Cttee</b> 4.00pm	15 <b>Procurement Board</b> 2.00pm  <b>East Area Housing Panel</b> 7.00pm	22 <i>Personnel Appeals</i> 10am SH	29 SH	5	12 <b>Children Young People &amp; Skills Cttee</b> 4.00pm
TUESDAY	2 <i>Conservative Party Conference</i>	9 <i>City Management Board</i> 9.30am Site Visits for Planning 2.00pm <i>Pre-application presentation</i> <b>Environment, Transport &amp; Sustainability Cttee</b> 4.00pm	16 <b>West Area Housing Panel</b> 2.00pm <b>Strategic Delivery Board</b> 2.00pm  <b>Greater Brighton Economic Board</b> 10.00am	23 SH	30 SH	6 <i>Diwali</i> Site Visits for Planning 2.00pm <i>Pre-application presentation</i>	13 <b>Health &amp; Wellbeing Board</b> 4.00pm
WEDNESDAY	3 <i>Conservative Party Conference</i>	10  <b>Planning Cttee</b> 2.00pm	17 <b>Central Area Housing Panel</b> 2.00pm <b>Health Overview &amp; Scrutiny Cttee</b> 4.00pm	24 SH	31 SH	7 <i>Diwali</i>  <b>Planning Cttee</b> 2.00pm	14 <b>Housing &amp; New Homes Cttee</b> 4.00pm
THURSDAY	4 <i>Conservative Party Conference</i> <i>Better Brighton Board</i> 2.00pm	11 <i>East Sussex Fire Authority</i> 10.30am  <b>Policy, Resources &amp; Growth Cttee</b> 4.00pm	18 <b>COUNCIL</b> 4.30pm	25 SH	1 SH	8 <i>Diwali</i>	15
FRIDAY	5	12 <i>Personnel Appeals</i> 10am	19 <b>North Area Housing Panel</b> 7.00pm	26 <i>Personnel Appeals</i> 10am SH	2 SH	9 <i>Diwali</i> <i>Personnel Appeals</i> 10am	16

2018	NOVEMBER	NOVEMBER	DECEMBER	DECEMBER	DECEMBER	DECEMBER	DEC / JAN
MONDAY	19 <i>Mawlid-al-Nab</i> Personnel Appeals 10am	26 <b>Corporate Parenting Board 4.00pm</b>	3 <b>East Area Housing Panel 7.00pm</b> Personnel Appeals 10am <b>Neighbourhoods, Inclusion, Communities &amp; Equalities Cttee 4.00pm</b>	10 <b>Procurement Board 2.00pm</b>	17 Personnel Appeals 10am	24 <b>SH</b> <i>Christmas Eve</i>	31 <b>SH</b> Personnel Appeals 10am
TUESDAY	20 <b>Strategic Delivery Board 2.00pm</b>	27 <i>City Management Board 9.30am</i>  <b>Environment, Transport &amp; Sustainability Cttee 4.00pm</b>	4 <b>West Area Housing Panel 2.00pm</b>	11 Site Visits for Planning 2.00pm <i>Pre-application presentation</i>	18 <b>Strategic Delivery Board 2.00pm</b>	25 <b>BH</b> <i>Christmas Day</i>	1 <b>BH</b> <i>New Years Day</i>
WEDNESDAY	21	28	5 <b>Central Area Housing Panel 2.00pm</b>  <b>Planning Cttee 2.00pm</b>	12	19	26 <b>BH</b> <i>Boxing Day</i>	2 <b>SH</b>
THURSDAY	22  <b>Tourism, Development &amp; Culture Cttee 4.00pm</b>	29 <b>North Area Housing Panel 7.00pm</b>  <b>Licensing Cttee 3.00pm</b>	6 <i>Better Brighton Board 2.00pm</i>  <b>Policy, Resources &amp; Growth Cttee 4.00pm</b>	13  <b>COUNCIL 4.30pm</b>	20 <b>SH</b>	27 <b>SH</b>	3
FRIDAY	23 Personnel Appeals 10am	30	7 Personnel Appeals 10am	14	21 <b>SH</b> Personnel Appeals 10am	28 <b>SH</b>	4 Personnel Appeals 10am



2019	JANUARY	JANUARY	JANUARY	JAN / FEB	FEBRUARY	FEBRUARY	FEBRUARY
MONDAY	7 Personnel Appeals 10am	14  Children, Young People & Skills Cttee 4.00pm	21  Neighbourhoods, Inclusion, Communities & Equalities Cttee 4.00pm	28 Procurement Board 2.00pm	4 East Area Housing Panel 7.00pm	11 Personnel Appeals 10am	18 SH
TUESDAY	8 City Management Board 9.30am Site Visits for Planning 2.00pm Pre-application presentation  Audit & Standards Cttee 4.00pm	15	22 Strategic Delivery Board 2.00pm  Environment, Transport & Sustainability Cttee 4.00pm	29 Greater Brighton Economic Board 10.00am  Health & Wellbeing Board 4.00pm	5 West Area Housing Panel 2.00pm Site Visits for Planning 2.00pm Pre-application presentation	12	19 SH
WEDNESDAY	9  Planning Cttee 2.00pm	16  Housing & New Homes Cttee 4.00pm	23  Health Overview & Scrutiny Cttee 4.00pm	30	6 Central Area Housing Panel 2.00pm  Planning Cttee 2.00pm	13	20 SH
THURSDAY	10  East Sussex Fire Authority 10.30am	17  Tourism, Development & Culture Cttee 4.00pm	24  Policy, Resources & Growth Cttee 4.00pm	31  COUNCIL 4.30pm	7 North Area Housing Panel 7.00pm	14  Budget Policy, Resources & Growth Cttee 4.00pm	21 SH East Sussex Fire Authority 10.30am
FRIDAY	11	18 Personnel Appeals 10am	25	1	8	15 Personnel Appeals 10am	22 SH

2019	FEB /MARCH	MARCH	MARCH	MARCH	MARCH	APRIL	APRIL
MONDAY	25 <b>Corporate Parenting Board 4.00pm</b>	4  <b>Children, Young People &amp; Skills Cttee 4.00pm</b>	11 <b>Personnel Appeals 10am</b>  <b>Neighbourhoods, Inclusion, Communities &amp; Equalities Cttee 4.00pm</b>	18 <b>Procurement Board 2.00pm</b>	25 <b>East Area Housing Panel 7.00pm</b> <b>Personnel Appeals 10am</b>	1	8 <b>Personnel Appeals 10am</b>
TUESDAY	26 <b>Strategic Delivery Board 2.00pm</b>	5 <i>Shrove Tuesday</i> Site Visits for Planning 2.00pm <i>Pre-application presentation</i>  <b>Reserve Date BUDGET COUNCIL 4.30pm</b>	12 <b>Audit &amp; Standards Cttee 4.00pm</b>	19  <b>Environment, Transport &amp; Sustainability Cttee 4.00pm</b>	26 <b>West Area Housing Panel 2.00pm</b> <b>Strategic Delivery Board 2.00pm</b>  <b>Greater Brighton Economic Board 10.00am</b>	2 Site Visits for Planning 2.00pm <i>Pre-application presentation</i>	9  <b>Health &amp; Wellbeing Board 4.00pm</b>
WEDNESDAY	27	6 <i>Ash Wednesday</i>  <b>Planning Cttee 2.00pm</b>	13  <b>Housing &amp; New Homes Cttee 4.00pm</b>	20 <i>Purim</i>  <b>Health Overview &amp; Scrutiny Cttee 4.00pm</b>	27 <b>Central Area Housing Panel 2.00pm</b>	3  <b>Planning Cttee 2.00pm</b>	10 <b>SH</b>
THURSDAY	28  <b>BUDGET COUNCIL 4.30pm</b>	7  <b>Tourism, Development &amp; Culture Cttee 4.00pm</b>	14  <b>Licensing Cttee 3.00pm</b>	21 <i>Purim</i> <i>Hola Mohalla</i>  <b>Policy, Resources &amp; Growth Cttee 4.00pm</b>	28  <b>COUNCIL 4.30pm</b>	4 <b>North Area Housing Panel 7.00pm</b>	11 <b>SH</b>
FRIDAY	1 <b>Personnel Appeals 10am</b>	8	15 <b>Personnel Appeals 10am</b>	22	29	5 <i>Holi</i>	12 <b>SH</b> <b>Personnel Appeals 10am</b>

2019	APRIL	APRIL	APRIL / MAY	MAY	MAY	MAY	MAY
MONDAY	15 Personnel Appeals 10am SH	22 Easter Monday BH	29 Ninth Day of Ridvan	6 BH	13	20	27 BH
TUESDAY	16 SH	23	30 Site Visits for Planning 2.00pm Pre-application presentation	7	14	21	28 SH
WEDNESDAY	17 SH	24	1  Planning Cttee 2.00pm	8	15	22	29 Ascension of Baha'u'llah SH
THURSDAY	18 SH	25	2 Local Elections	9	16	23 Declaration of the Bab  ANNUAL COUNCIL 4.30pm	30 SH
FRIDAY	19 Good Friday Theravadin New Year BH	26	3	10	17	24	31 SH

2019	JUNE	JUNE	JUNE	JUNE	JULY	JULY	JULY
MONDAY	3 Personnel Appeals 10am Procurement Board 2.00pm	10 Corporate Parenting Board 4.00pm	17  Children, Young People & Skills Cttee 4.00pm	24 Personnel Appeals 10am	1  Neighbourhoods, Inclusion, Communities & Equalities Cttee 4.00pm	8	15
TUESDAY	4 Site Visits for Planning 2.00pm Pre-application presentation Strategic Delivery Board 2.00pm	11 Health & Wellbeing Board 4.00pm	18	25  Environment, Transport & Sustainability Cttee 4.00pm	2 LGA Conference	9 Martyrdom of the Bab Strategic Delivery Board 2.00pm Site Visits for Planning 2.00pm Pre-application presentation	16 Greater Brighton Economic Board 10.00am
WEDNESDAY	5  Eid al Fitr  Planning Cttee 2.00pm	12	19  Housing & New Homes Cttee 4.00pm	26 Health Overview & Scrutiny Cttee 4.00pm	3 LGA Conference	10  Planning Cttee 2.00pm	17
THURSDAY	6  Eid al Fitr	13	20  Tourism Development & Culture Cttee 4.00pm	27  Licensing Cttee 3.00pm	4 LGA Conference	11  Policy, Resources & Growth Cttee 4.00pm	18
FRIDAY	7	14	21	28 Personnel Appeals 10am	5	12	19

2019	JULY	JULY / AUG	AUGUST	AUGUST	AUGUST	AUG / SEPT	SEPTEMBER
MONDAY	22	29 SH	5 SH	12 SH	19 SH	26 BH	2
TUESDAY	23 Health & Wellbeing Board 4.00pm	30 SH  Audit & Standards Cttee 4.00pm	6 SH Site Visits for Planning 2.00pm Pre-application presentation	13 SH	20 SH	27	3
WEDNESDAY	24	31 SH	7 SH  Planning Cttee 2.00pm	14 SH	21 SH	28	4
THURSDAY	25  COUNCIL 4.30pm	1 SH Lughnassad - Imbolc	8 SH	15 SH	22 SH	29	5
FRIDAY	26	2 SH	9 SH	16 SH	23 SH	30	6



<b>Subject:</b>	<b>Greater Brighton Economic Board – Admission of New Member to the Board</b>		
<b>Date of Meeting:</b>	<b>30 November 2017</b> Full Council: 14 December 2017		
<b>Report of:</b>	<b>Executive Director for Economy Environment and Culture</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Andy Hill</b>	<b>Tel: 01273 291873</b>
	<b>Email:</b>	<b>andy.hill@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report seeks approval from the Policy, Resources & Growth Committee and Full Council to enable Crawley Borough Council to become a member of the Greater Brighton Economic Board (“the Board”). Each local authority member of the joint committee is seeking equivalent approvals from their decision-making bodies to enable Crawley Borough Council to become a member.
- 1.2 An invitation for Gatwick Airport Limited was issued on 21 June 2017 and agreement was received on 4 July 2017.
- 1.3 On 18 October 2017 a Council decision was made Crawley Borough Council to join the Board.
- 1.4 The Board comprises a concurrent meeting of the Greater Brighton Economic Joint Committee (“GBEJC”), on which the local authorities are represented; and the Greater Brighton Business Partnership (“GBBP”), on which business and education groups are represented.

**2. RECOMMENDATIONS:**

*That the Policy, Resources & Growth Committee:*

- 2.1 Recommends to Full Council on 14 December 2017 that Crawley Borough Council joins the GBEJC and that Gatwick Airport Ltd join the GBBP.
- 2.2 Notes that these changes to the membership are dependent on the decision of Full Council, all the local authorities represented on the Board agreeing that the new members be appointed, and the Board taking a formal decision that the new members are appointed.
- 2.3 Recommends to Full Council that it agrees to amend the Board’s Heads of Terms and that it instructs the Monitoring Officer to amend the Council’s

constitution to reflect these amendments once they have been formally approved by all the constituent authorities and the Greater Brighton Economic Board.

*That Full Council:*

- 2.1 Agrees that Crawley Borough Council joins the GBEJC and that Gatwick Airport Ltd join the GBBP.
- 2.2 Notes that these changes to the membership are dependent on all the local authorities represented on the Board agreeing that the new members be appointed, and the Board taking a formal decision that the new members are appointed.
- 2.3 Agrees to amend the Board's Heads of Terms and instructs the Monitoring Officer to amend the Council's constitution to reflect these amendments once they have been formally approved by all the constituent authorities and the Greater Brighton Economic Board.

### **3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Greater Brighton Economic Board was founded in April 2014 as part of the Greater Brighton City Region's City Deal with Government.
- 3.2 The Board comprises the Greater Brighton Economic Joint Committee ("GBEJC"), on which the local authorities are represented; and the Greater Brighton Business Partnership ("GBBP"), on which the Coast to Capital Local Enterprise Partnership, business, university and further education sectors, and South Downs National Park Authority are represented. Meetings of the Board compromise concurrent meetings of GBEJC and GBBP.
- 3.3 The following bodies are members of the Board:
  - i. Brighton & Hove City Council
  - ii. Adur District Council
  - iii. Worthing Borough Council
  - iv. Lewes District Council
  - v. Mid-Sussex District Council
  - vi. University of Sussex
  - vii. University of Brighton
  - viii. Further Education Representative
  - ix. Coast to Capital Local Enterprise Partnership
  - x. Brighton & Hove Economic Partnership
  - xi. Adur & Worthing Business Partnership
  - xii. Coastal West Sussex Partnership
  - xiii. South Downs National Park Authority
- 3.4 GBEJC comprises the bodies specified in paragraphs 3.3(i) to (v); and GBBP comprises the bodies specified in paragraphs 3.3(vi) to (xiii).
- 3.5 The functions of the Board are as follows:



- i. To make long term strategic decisions concerning regional economic development and growth;
- ii. To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
- iii. To work with national, sub-national (in particular the Coast to Capital Local Enterprise Partnership) and local bodies to support a co-ordinated approach to economic growth across the Region;
- iv. To secure funding and investment for the Region;
- v. To ensure delivery of, and provide strategic direction for, major projects and work streams enabled by City Deal funding and devolution of powers;
- vi. To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development.
- vii. To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes.

3.6 Working in partnership, the Greater Brighton City Region has brought significant benefits to the partner Local Authorities and agencies. Together the partnership has secured around £150m of Growth Deal funding held by the Coast to Capital Local Enterprise Partnership.

3.7 The London-Gatwick-Brighton Growth Corridor has been recognised as one of nine corridors in England that have been at the heart of growth over the last decade<sup>1</sup> and are likely to maintain a pivotal role in shaping growth in the future. The Corridor, which stretches along the Brighton Main Line and M23/A23 routes, creates key strategic linkages between Crawley, Gatwick and Brighton & Hove – the benefits of which will cascade across the City Region. The inclusion of Crawley Borough Council and Gatwick Airport Limited on the Greater Brighton Economic Board presents the following related opportunities:

3.7.1 Enabling Greater Brighton to clearly articulate how the City Region economy can benefit from both its links to the M23/A23 Corridor and to London.

3.7.2 Strengthening Greater Brighton's voice to Government:

- Bringing together two of the Coast to Capital Local Enterprise Partnership's economic 'power houses'. Crawley and Brighton & Hove generate over £4.5bn and £6.7bn GVA respectively. The City Region has a current combined GVA of just over £19bn (all GVA data is from 2014).
- Crawley is home to 110,900 people. The City Region has a current combined population of just over 700,000. The new population total, of just under 811,000 people, would increase the scale and profile of Greater Brighton.
- Similarly, Crawley is home to over 3,000 active businesses – including Gatwick Airport Limited. There are currently just over 35,000 active business units in the City Region.

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<sup>1</sup> <http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2014/where-growth-happens-the-high-growth-index-of-places.pdf>

- Gatwick is one of the South East's most high profile and important anchor businesses. It has 24,000 direct employees (and 13,000 indirect employees) from across the region. It is a major investor in growth – having invested £1.3bn since 2009 with plans to invest a further £1.2bn before 2021 – and attractor for inward investment, providing access to markets for business as well as supporting the ongoing growth of tourism. The inclusion of an international airport within the City Region will bring Greater Brighton's profile in line other City Region's that are high on Government's radar – Manchester, Birmingham and Newcastle.

### 3.7.3 Enabling joint-work on strategic priorities, including;

- Articulating the economic case for continued investment in infrastructure, with an immediate focus on influencing investment in the Brighton Main Line.
- Developing a proactive Inward Investment and Trade strategy (encompassing supply chain development), working with the Department for International Trade and the Coast to Capital Local Enterprise Partnership. Strengthened links to London, coupled with an international airport, would increase investor confidence in Greater Brighton. Gatwick has Europe's fastest growing long haul network, now servicing more than 50 long haul destinations. It plays an important role in supply chain development – £74m of Gatwick's expenditure is already with local businesses.
- Supporting the work of the West Sussex and Greater Brighton Strategic Planning Board in developing the Local Strategic Statement 3; a process to support better integration and alignment of strategic spatial and investment priorities and deliver a spatial framework for the area that brings together in one place the housing and employment space required over the next ten years linked to the long term strategic infrastructure and other transport plans.

## 4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 An alternative would be for the membership to remain as it is currently, but for the reasons outlined in 3.7.1-3.7.3 this is not recommended.

## 5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Non required

## 6. CONCLUSION

- 6.1 The Policy, Resources & Growth Committee is asked to recommend to Full Council that Crawley Borough Council joins the GBEJC, Gatwick Airport Ltd joins the GBBP, and to accept the other recommendations outlined in this report.
- 6.2 Full Council is asked to agree that Crawley Borough Council join the GBEJC, Gatwick Airport joins the GBBP, and to accept the other recommendations outlined in this report.

## 7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 It is proposed that given Crawley Borough Council and Gatwick Airport Ltd will not be fully ratified as Board members until February 2018, the Board will not seek financial contributions from Crawley or Gatwick Airport for the 2017/18 financial year. Contributions will be sought from Crawley and Gatwick for the financial years following ratification in accordance with the methodology used to calculate the contributions from current members.

*Finance Officer Consulted: Rob Allen*

*Date: 02/11/17*

Legal Implications:

- 7.2 The GBEJC is a joint committee established pursuant to section 102 of the Local Government Act 1972. The Local Government Act 1972 and The Local Authorities Arrangements for the Discharge of Functions (England) Regulations 2012 require the constituent authorities of a joint committee to decide the membership of that committee and it is therefore necessary for each of the local authority members of the Board to decide that Crawley Borough Council should become a member of GBEJC.
- 7.3 This decision to alter the membership of the joint committee is one which must be taken by Full Council by virtue of section 102 of the Local Government Act 1972.
- 7.4 Policy, Resources & Growth have authority under Article 13 of the constitution to amend the terms of reference of a joint committee and the Policy, Resources & Growth Committee is therefore asked to approve the proposed amendments to the Heads of Terms, subject to the decisions of all the constituent authorities and a decision by the Board to admit Crawley Borough Council and Gatwick Airport Ltd.

*Lawyer Consulted: Alice Rowland*

*Date: 07/09/17*

Equalities Implications:

- 7.5 None

Sustainability Implications:

- 7.6 None

Any Other Significant Implications:

- 7.7 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Heads of Terms for Greater Brighton Economic Board

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None

## **Heads of Terms, Greater Brighton Economic Board**

### **1. Establishment, Purpose and Form**

- 1.1. The Greater Brighton Economic Board (“The Board”) shall be established from the Commencement Date
- 1.2. The over-arching purpose of the board is to bring about sustainable economic development and growth across Greater Brighton (‘the City Region’). To achieve this, the principal role of the Board is to co-ordinate economic development activities and investment at the regional level.
- 1.3. The Board comprises the Greater Brighton Economic Joint Committee (“GBEJC”), on which the local authorities will be represented; and the Greater Brighton Business Partnership (“GBBP”), on which the Cost to Capital Local Enterprise Partnership, business, university and further education sectors will be separated.
- 1.4. Meetings of the Board comprise concurrent meetings of GBEJC and GBBP.
- 1.5. GBEJC shall be a joint committee appointed by two or more local authorities represented on the Board, in accordance with section 120(1)(b) of the Local Government Act 1972.
- 1.6. The Board may appoint one or more sub-committees.
- 1.7. For the two years starting with the Commencement Date, the lead authority for the Board shall be Brighton & Hove City Council (“BHCC”), whose functions in that capacity shall include the provision of scrutiny (see paragraph 4.3), management of the call-in and review process (see paragraph 8), and the support detailed in paragraph 12.
- 1.8. Unless the Board resolves otherwise, before the start of the third year following the Commencement Date, and every two years thereafter, the Board shall review the lead authority arrangements and, subject to paragraph 1.9, invite each of the local authorities represented on the Board to submit an expression of interest in fulfilling the role of lead authority for the subsequent two year period. The Board shall then instigate a procurement exercise to select the most appropriate authority for that role.
- 1.9. Notwithstanding the appointment of a successor lead authority pursuant to paragraph 1.8, the incumbent lead authority may retain such of their Accountable Body functions as are necessary to enable that local authority to comply with its on-going commitments and liabilities associated with its Accountable Body status.

## **2. Interpretation**

### **2.1. In these Heads of Terms –**

- i. 'Commencement Date' means 1<sup>st</sup> April 2014.
- ii. 'City Region' means the area encompassing the administrative boundaries of BHCC, Adur District Council, Worthing Borough Council, Lewes District Council, Mid Sussex District Council and Crawley Borough Council as lie within the Coast to Capital Local Enterprise Partnership area; and 'regional' shall be construed accordingly;
- iii. 'economic development' shall bear its natural meaning but with particular emphasis given to :
  - Employment and skills;
  - Infrastructure and transport
  - Housing;
  - Utilisation of property assets;
  - Strategic planning;
  - Economic growth.
- iv. 'Accountable Body' means the local authority represented on the Board carrying out the function set out in paragraph 12.2.

## **3. Functions**

3.1. The Functions of the Board are specified in paragraph 3.2 below and may be exercised only in respect of the Region.

3.2. The functions referred to in paragraph 3.1 are as follows:

- i. To make long term strategic decisions concerning regional economic development and growth;
- ii. To be the external voice to Government and investors regarding the management of devolved powers and funds for regional economic growth;
- iii. To work with national, sub-national (in particular the Coast to Capital Local Enterprise Partnership) and local bodies to support a co-ordinated approach to economic growth across the region;
- iv. To secure funding and investment for the Region;
- v. To ensure delivery of, and provide strategic direction for, major projects and work stream enabled by City Deal funding and devolution of powers;
- vi. To enable those bodies to whom section 110 of the Localism Act 2011 applies to comply more effectively with their duty to co-operate in relation to planning of sustainable development.
- vii. To incur expenditure on matters relating to economic development where funds have been allocated directly to the Board for economic development purposes; and for the avoidance of doubt, no other expenditure shall be

incurred unless due authority has been given by each body represented on the Board.

3.3. In discharging its function specified in paragraph 3.2 (Viii) above, the Board shall-

- i. (save in exceptional circumstances) seek to invest funding on the basis of-
  - a Proportionality, by reference to the economically active demographic of each administrative area within the city Region;
  - b Deliverability;
  - c Value for money and return on investment / cost benefit ratio; and
  - d Economic impact to the City Region as a whole.
- ii. Delegate implementation of that function to the lead authority, who shall also act as Accountable Body in relation to any matters failing within that function.

#### **4. Reporting and Accountability**

4.1. The Board shall submit an annual report to each of the bodies represented on the Board.

4.2. The Greater Brighton Officer Programme Board shall report to the Board and may refer matters to it for consideration and determination.

4.3. The work of the Board is subject to review by an ad hoc joint local authority scrutiny panel set up and managed by the lead authority.

#### **5. Membership**

5.1. The following bodies shall be members of the Board:

- i. Brighton & Hove City Council
- ii. Adur District Council
- iii. Worthing Borough Council
- iv. Lewes District Council
- v. Mid-Sussex District Council
- vi. Crawley Borough Council
- vii. University of Sussex
- viii. University of Brighton
- ix. Further Education Representative
- x. Coast to Capital Local Enterprise Partnership
- xi. Brighton & Hove Economic Partnership
- xii. Adur & Worthing Business Partnership
- xiii. Coastal West Sussex Partnership
- xiv. South Downs National Park Authority
- xv. Gatwick Airport Ltd

5.2. GBEJC shall comprise the bodies specified in paragraphs 5.1(i) to (vi); and GBBP shall comprise the bodies specified in paragraphs 5(vii) to (xv).

- 5.3. Each of the bodies listed in paragraph 5.1 shall be represented at the Board by one person , save that BHCC shall, by reason of it being a unitary authority, be represented by two persons (as further specified in paragraph 5.4).
- 5.4. Each local authority member shall be represented at the Board by its elected Leader and, in the case of BHCC, by its elected Leader and the Leader of the Opposition.
- 5.5. Each business sector member shall be represented at the Board by the Chairman of that member or by a person nominated by the Board of that member.
- 5.6. Each university member shall be represented by a Vice Chancellor or Pro Vice-Chancellor of that university or by a person nominated by that university member.
- 5.7. Each further education member shall be represented by its Principal or the Chair of its Governing Body or by a person nominated by that further education member.

## **6. Chair**

- 6.1. The Chair of GBEJC shall, by virtue of his/her democratic mandate, be Chair of the Board
- 6.2. If the Chair of GBEJC is unable to attend a Board meeting, the Board shall elect a substitute from its local authority member representatives provided that no such member representative attending in the capacity of a substitute shall be appointed as Chair of GBEJC / the Board.
- 6.3. The Chair of GBEJC for its first year of operation shall be the Leader of BHCC
- 6.4. Following GBEJC's first year in operation, its Chair shall rotate annually between its members, with the new Chair being appointed at the first meeting of the Board in the new municipal year.
- 6.5. GBEJC shall decide the order in which their members shall chair that body.

## **7. Voting**

- 7.1. Each person represents a member of GBEJC, and each person representing a member of the GBBP, shall be entitled to vote at their respective meetings.
- 7.2. Voting at each of the concurrent meetings of GBEJC and GBBP shall be by show of hands or, at the discretion of the chair, by any other means permitted by law, and voting outcomes reached at those meetings shall be on a simple majority of votes cast.
- 7.3. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the Chair of GBEJC shall have a casting vote.



- 7.4. Where voting at a meeting of GBEJC results in an equal number of votes cast in favour and against, the motion/proposal/recommendation under consideration shall fall in relation of GBBP.
- 7.5. Where the respective voting outcomes of GBEJC and GBBC are the same, that shall be taken as the agreed Board decision and the Board may pass a resolution accordingly.
- 7.6. Where the respective voting outcomes of GBEJC and GBBP differ, the Board –
- i. May not pass a resolution relating to that matter; and
  - ii. May refer the matter to the Chief Executive of the lead authority, who may consult with members of the Board or such other persons as are appropriate, with a view to achieving agreement on the matter between GBEJC and GBBP by discussion and negotiation.
- 7.7. Where, pursuant to paragraph 7.6(ii), agreement is reached the matter at issue shall be remitted to, and voted upon at, the next meeting of the Board.
- 7.8. Where, pursuant to paragraph 7.6(ii), no agreement is reached the motion/proposal/recommendation at issue shall fall.

## **8. Review of decision**

- 8.1. Decisions of the Board will be subject to call-in and review in the following circumstances:
- i. Where a local authority voted to agree a recommendation at a GBEJC meeting, but the decision of the Board was to agree the recommendation.
  - ii. Where a local authority voted against a recommendation at a GBEJC meeting, but the decision of the Board considered that the interests of the body they represent had been significantly prejudiced; or
  - iii. Where any local authority represented on the Board considered that the interests of the body they represent had been significantly prejudiced; or
  - iv. Where any local authority represented on the Board considered that the Board had made a decision beyond its scope of authority.
- 8.2. The procedure for Requesting, validation, and implementing a call-in and review is specified in Schedule 1.
- 8.3. Where a request for call-in is accepted, the Board decision to which it relates shall be stayed pending the outcome of the call-in
- 8.4. Following call-in, the panel convened to review a Board decision may refer the decision back to the Board for re-consideration. Following referral, the Board shall, either at its next scheduled meeting or at a special meeting called for the purpose, consider the panel's concerns over the original decision.

8.5. Having considered the panel's concerns, the Board may alter its original decision or re-affirm it. Paragraph 8.1 shall not apply to the Board's follow-up decision. In consequence, the latter decision may be implemented without further delay.

## **9. Substitution**

9.1. Subject to paragraph 9.2, where a representative of a member of the Board is unable to attend a Board meeting, a substitute representative of that member may attend, speak and vote, in their place for that meeting.

9.2. A substitute member must be appointed from a list of approved substitutes submitted by the respective member to the Board at the start of each municipal year.

## **10. Quorum**

10.1. No business shall be transacted at any meeting of the Board unless at least one third of all member bodies are present, and both GBEJC and GPBBP are quorate.

10.2. Quorum for GBEJC meetings shall be three member bodies.

10.3. Quorum for GPBBP meetings shall be three member bodies.

## **11. Time and Venue of Meetings**

11.1. Ordinary meetings of the Board shall be convened by the lead authority and normally take place in the geographical area of that authority.

11.2. The Chair of the Board may call a special meeting of the Board at any time, subject to providing members with minimum notice of two working days.

## **12. Administrative, financial and legal support**

12.1. The lead authority shall provide the following support services to the Board:

- i. Administrative, as more particularly specified in the Memorandum of Understanding pursuant to paragraph 13;
- ii. Financial (including the Accountable body function specified in paragraph 12.2); and
- iii. Legal, comprising Monitoring Officer and Proper Officer functions in relation to GBEJC meetings.

12.2. The function of the Accountable Body is to take responsibility for the financial management and administration of external grants and funds provided to the Board, and of financial contributions by each member of the Board, as more particularly specified in the Memorandum of Understanding Pursuant to paragraph 13. In fulfilling its role as Accountable Body, the lead authority shall remain independent of the Board.

- 12.3. Other members of the Board shall contribute to the reasonable costs incurred by the lead authority in connection with the activities described in paragraphs 12.1 and 12.2, at such time and manner as the Memorandum of Understanding shall specify.

### **13. Memorandum of Understanding**

- 13.1. Members of the Board may enter into a memorandum of understanding setting out administrative and financial arrangements as between themselves relating to the functioning of the Board.
- 13.2. The memorandum may, in particular, provide for –
- i. Arrangements as to the financial contributions by each member towards the work of the Board, including:
    - a The process by which total financial contributions are calculated;
    - b The process for determining the contribution to be paid by each member;
    - c The dates on which contribution are payable;
    - d How the Accountable Body shall administer and account for such contributions;
  - ii. Functions of the Accountable Body; and
  - iii. The terms of reference for the Greater Brighton Officer Programme Board.

### **14. Review and Variation of Heads of Terms**

- 14.1. The Board shall keep these Heads of Terms under review to ensure that the Board's purpose is given full effect.
- 14.2. These Heads of Terms may be varied only on a resolution of the Board to that effect, and subject to the approval of each body represented on the Board.

