Brighton & Hove City Council

# Policy & Resources Committee

| | |
|---|---|
| Date: | **9 February 2023** |
| Time: | **4.00pm** |
| Venue | **Hove Town Hall - Council Chamber** |
| Members: | **Councillors:** Mac Cafferty (Chair), Druitt (Joint Deputy Chair), Gibson (Joint Deputy Chair), Allcock (Joint Opposition Spokesperson), Appich (Joint Opposition Spokesperson), Bell (Group Spokesperson), Allbrooke, Evans, McNair and Yates<br>**Invitee:** Dr Anusree Biswas Sasidharan |
| Contact: | **Lisa Johnson**<br>Democratic Services Manager<br><br>lisa.johnson@brighton-hove.gov.uk |

Agendas and minutes are published on the council's website www.brighton-hove.gov.uk. Agendas are available to view five working days prior to the meeting date.

Electronic agendas can also be accessed through our meetings app available through ModernGov: iOS/Windows/Android

This agenda and all accompanying reports are printed on recycled paper

# AGENDA

**PART ONE** **Page**

**115 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.*

**116 MINUTES** **7 - 16**

To consider the minutes of the meeting held on 19 January 2023.

**117 CHAIR'S COMMUNICATIONS**

**118 CALL OVER**

**119 PUBLIC INVOLVEMENT** **17 - 18**

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

(a) **Petitions:** to receive any petitions presented by members of the public.

(i) Proposed closures of public toilets

(ii) Stop closure of public toilets in Brighton & Hove by the council

(b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 3 February 2023;

(c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 3 February 2023.

**120 ITEMS REFERRED FROM COUNCIL**

**121 MEMBER INVOLVEMENT**

To consider the following matters raised by councillors:

(a) **Petitions:** to receive any petitions;

(b) **Written Questions:** to consider any written questions;

(c) **Letters:** to consider any letters;

(d) **Notices of Motion:** to consider any Notices of Motion.

**122 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2023/24** **19 - 440**

Report of the Chief Finance Officer

*Contact Officer:* *Nigel Manvell* *Tel: 01273 293104*
*Ward Affected:* *All Wards*

**123 TARGETED BUDGET MANAGEMENT (TBM) 2022/23: MONTH 9 (DECEMBER)** **441 - 510**

Report of the Chief Finance Officer

*Contact Officer:* *Jeff Coates* *Tel: 01273 292364*
*Ward Affected:* *All Wards*

**124 HOUSING REVENUE ACCOUNT BUDGET & CAPITAL INVESTMENT PROGRAMME 2023/24 AND MEDIUM-TERM FINANCIAL STRATEGY** **511 - 586**

Report of the Chief Finance Officer and Executive Director for Housing, Neighbourhoods & Communities

*Contact Officer:* *Craig Garoghan* *Tel: 01273 291262*

**125 REVIEW OF COUNCIL PAY STRUCTURES** **587 - 596**

Report of the Executive Director Governance People & Resources

*Contact Officer:* *Kenneth Simpson* *Tel: 01273 291355*
*Ward Affected:* *All Wards*

**126 ADULT SOCIAL CARE CHARGING POLICY 2023-24** **597 - 602**

Report of the Executive Director Health and Adult Social Care

*Contact Officer:* *Angie Emerson* *Tel: 01273 295666*
*Ward Affected:* *All Wards*

**127 CITY DEVELOPMENT AND REGENERATION BUILDING REGULATION APPLICATION FEES** **603 - 608**

Report of the Executive Director Economy, Environment & Cutlure

*Contact Officer:* *Jill Scarfield*
*Ward Affected:* *All Wards*

**128 ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 30 March 2023 Council meeting for information.

.

**PART TWO**

**129 PART TWO PROCEEDINGS**

To consider whether the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

Date of Publication - Wednesday, 1 February 2023

The City Council actively welcomes members of the public and the press to attend its meetings and holds as many of its meetings as possible in public. Provision is also made on the agendas for public questions to committees and details of how questions can be raised can be found on the website and/or on agendas for the meetings.

The closing date for receipt of public questions and deputations for the next meeting is 12 noon on the fourth working day before the meeting.

Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.
Infra-red hearing aids are available for use during the meeting. If you require any further information or assistance, please contact the receptionist on arrival.

**FURTHER INFORMATION**
For further details and general enquiries about this meeting contact Lisa Johnson, (01273 291228, email lisa.johnson@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

**WEBCASTING NOTICE**
This meeting may be filmed for live or subsequent broadcast via the Council's website. At the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. You should be aware that the Council is a Data Controller under the Data Protection Act 1998. Data collected during this web cast will be retained in accordance with the Council's published policy.

Therefore, by entering the meeting room and using the seats in the chamber you are deemed to be consenting to being filmed and to the possible use of those images and sound recordings for the purpose of web casting and/or Member training. If members of the public do not wish to have their image captured, they should sit in the public gallery area.

**ACCESS NOTICE**
The Public Gallery is situated on the first floor of the Town Hall and is limited in size but does have 2 spaces designated for wheelchair users. The lift cannot be used in an emergency. Evac Chairs are available for self-transfer and you are requested to inform Reception prior to going up to the Public Gallery. **For your own safety please do not go beyond the Ground Floor if you are unable to use the stairs.**
Please inform staff on Reception of this affects you so that you can be directed to the Council Chamber where you can watch the meeting or if you need to take part in the proceedings e.g. because you have submitted a public question.

**FIRE / EMERGENCY EVACUATION PROCEDURE**
If the fire alarm sounds continuously, or if you are instructed to do so, you must leave the building by the nearest available exit. You will be directed to the nearest exit by council staff. It is vital that you follow their instructions:

- You should proceed calmly; do not run and do not use the lifts;
- Do not stop to collect personal belongings;
- Once you are outside, please do not wait immediately next to the building, but move some distance away and await further instructions; and
- Do not re-enter the building until told that it is safe to do so.

**Brighton & Hove City Council**

**Policy & Resources Committee**

**4.00pm 19 January 2023**

**Hove Town Hall - Council Chamber**

**Minutes**

**Present**: Councillor Mac Cafferty (Chair) Druitt (Joint Deputy Chair), Gibson (Joint Deputy Chair), Allcock (Joint Opposition Spokesperson), Appich (Joint Opposition Spokesperson), Bell (Group Spokesperson), Allbrooke, Evans, McNair and Yates

## Part One

### 96 PROCEDURAL BUSINESS

### (a) Declarations of Substitutes

96.1 There were no substitutions.

96.2 Apologies were received from the Standing Invitee Dr Anusree Biswas Sasidharan.

### (b) Declarations of Interest

96.3 Cllr Bell referred to Item 112a and declared that he was a Trustee of Royal Pavilion Museums Trust. He would therefore not take part in any discussion and would leave the Chamber during consideration of this item.

### (c) Exclusion of Press and Public

96.4 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.

96.5 **RESOLVED:** There were no Part Two items on the agenda and so the press and public would not be excluded during the meeting.

### 97 MINUTES

97.1 **RESOLVED:** That the Minutes of the meeting held on 1 December 2022 be agreed as a correct record.

### 98 CHAIR'S COMMUNICATIONS

98.1 The Chair gave the following communication:

The thirteen-year Conservative obsession with slashing, trashing and privatising public services is having a catastrophic impact that we as a city are left picking up in our budget decisions this year. Over that thirteen-year period, £110m has been stolen from our city as a result of government cuts but the government seems intent on continuing their failed austerity agenda.

The government announced our funding so late what should have been the autumn settlement ended up being announced in winter; while ministers haven't told us yet how much we can fund public health, which might be useful as we recover from a public health pandemic or fund smoking cessation, inoculations, drug & alcohol abuse, sexual health.

It is sadly little surprise that the Conservative underfunding continues apace. Faced with unprecedented demand, the impact of a crippling pandemic, the cost-of-living crisis, Truss' disastrous mini-budget, the highest inflation in a generation and a recession that was, let's remember, predicted, we are faced with having to review all the services the council delivers and find over £20m worth of cuts to 'balance' our budget, something we are legally required to do.

The options left locally are dire and to balance the books, we are facing heart-breakingly difficult decisions. I am clear this administration will protect council services where we can, but vicious Tory cuts to Brighton & Hove mean there are limited funds and limited options left. This is another very dark chapter for our city and the council is likely to look and feel different by the end of the process. An example of that is that to date we've proudly been a high spending council for things like children's services. That era looks like it may be over.

The external auditors annual report of the council's finances demonstrates how we must work together for our city's future. The report states that there needs to be an urgent focus on our financing- the reality is that our services will have to look differently next year. This is why we have brought the note reminding all councillors of all political parties and none that we all have a duty to play a part in ensuring our services are delivered sustainably for years to come.

The reality is that local government funding is broken and even the government knows it. As funding has been cut by over a third in real terms over the last decade, local councils across the country and political spectrum are in desperate financial positions with over 250 opting to increase council tax to its highest rate. The government tells us to either fund the gaps through council tax or close down council services. Given that council tax funds only 19% of the council's budget you can see this isn't the whole solution to the problem. Even the government is starting to acknowledge that more councils will face a Section 114 bankruptcy notice as a result of their funding. In a cynical new low, the week the government should have been providing adequate funding for councils in their budget, they advertised for future commissioners who will be sent into councils to run them when they declare bankruptcy.

Meanwhile the government lauds its grant funding financing model, which today saw Prime Minister Rishi Sunak's leafy, rural constituency receive £19million taxpayers' cash to "level-up". These pots are not only undemocratic they actively contribute to the

difficulty all councils are having setting sustainable longer-term financing strategies as they pit local councils against each other.

As we have argued for many years now, the government needs to devolve decision making and finances to genuinely let local people decide how funding is spent. Through all of it, the Tories have cynically shifted the blame to local councils. But let's be clear: cuts have been a false economy and what we have needed like never-before is an invest to save approach, with quality public services funded by fair taxes on the wealthiest and the energy giants. Something that is sadly very far from the lips of Labour leader, Keir Starmer, too.

The gap in funding could not come at a worse time- soaring inflation and real term pay cuts. As more people fall into hardship from the cost-of-living crisis, demand for local services that can help has soared – with a sharp increase in need for care for vulnerable adults and children. Hardship funds are oversubscribed, while foodbanks have seen donations drop by over two-thirds.

As funding has been cut by over a third in real terms over the last decade, local councils across the country and political spectrum are in desperate financial positions with over 250 opting to increase council tax to its highest rate. Just before Christmas, Thurrock became the fourth council to issue a section 114 "bankruptcy" notice in recent years. It is thought that dozens more are struggling to balance the books.

The national picture is a stark reminder of the importance of making difficult decisions now across all of our services, which is why we need politicians from all sides to act with the seriousness this situation requires. The decisions that we will have to make at this budget will mean services being delivered differently right across our city so ensuring that we work with communities in this transition is essential.

Ahead of the council's budget meeting in February we must continue to focus on creating a balanced budget which protects local public services as much as we can so continue to help the most marginalised. We'll continue to lobby government with the loudest voices for the funding we know Brighton & Hove deserves.

**99 CALL OVER**

99.1 The following items were reserved for discussion:

Item 103 - General Fund Budget and Resources Update
Item 105 - Permission to Establish An Urgency Sub-Committee to Oversee Disposal of 31 Palmeira Avenue, Hove
Item 106 – Kingsway to the Sea
Item 107 – Full Review of Polling Districts and Polling Places 2023
Item 111 – The UK Shared Prosperity Fund
Item 112a – ACE Grant Brighton Museum Capital Works

The following items were agreed without discussion:

Item 104 – Council Tax Base and Business Rates Retention Forecasts 2023/24

Item 108 – Local Land Charges Fees & Charges
Item 109 – Provision, Installation and Maintenance of CCTV Traffic Enforcement Cameras and Associated Enforcement Support System
Item 110 – Life Events and Charges Review for Registration Services
Item 112 – Committee Calendar

## 100 PUBLIC INVOLVEMENT

100.1 There were no Petitions, Written Questions or Deputations

## 101 ITEMS REFERRED FROM COUNCIL

101.1 No items were referred from the last meeting of Full Council held on 15 December 2022.

## 102 MEMBER INVOLVEMENT

102.1 There were no Petitions, Written Questions, Letters or Notices of Motion

## 103 GENERAL FUND BUDGET AND RESOURCES UPDATE 2023/24

103.1 The Committee considered the report of the Chief Finance Officer which provided an interim update on the forecast position for the current financial year, 2022/23, an update on the projected funding and resource position for next year, 2023/24, following the publication of the provisional Local Government Financial Settlement, information about the budget process and sought agreement to a Budget Protocol that would determine the process for receiving and signing off alternative budget proposals (budget amendments) and provided important advice to all members regarding the legal requirements and responsibilities for setting the Council Tax and approving a balanced budget.

103.2 Members asked for legal advice on whether the legal consideration to the changes to the concessionary travel scheme have been considered as required by the last committee. The lawyer confirmed that they would provide a written response after the meeting.

103.3 Members asked if the position with the i360 and any possible impact on the budget had been considered. The Chief Finance Officer advised that the Council were awaiting an updated business case which would be provided later this month.

103.4 Members referred to paragraph 3.5 which stated that 'there very significant overspend and would severely impact on reserves' and asked what the current level of reserves were. The Chief Finance Officer said that a report coming to the forthcoming Audit & Standards Committee would set out the exact amount. However, there was around £20m of reserve funds, and any money borrowed from that would have to paid back.

**103.5 RESOLVED**: That the Committee:

(i) Noted the Legal Advice regarding the setting of the Budget and Council Tax in Section 8 and Appendix 1 and noted that this will be provided to all councillors for the Budget Council meeting.

(ii) Agreed the Budget Protocol set out in Section 7 of the report.

(iii) Noted the latest interim forecast for 2022/23, indicating a General Fund outturn overspend of £10.601m.

(iv) Noted the latest resource position for 2023/24 indicating an overall budget shortfall of £20.929m with a remaining budget gap of £8.333m to be addressed in order to achieve a balanced budget.

(v) Noted the Guideline Criteria and Budget Categorisation information used to inform the development of budget options, including savings proposals.

## 104 COUNCIL TAX BASE AND BUSINESS RATES RETENTION FORECASTS 2023/24

104.1 This item was agreed without discussion.

104.2 **RESOLVED**: That the Committee -

(i) Agreed the calculation of the council's tax base for the year 2023/24.

(ii) Noted the collection rate assumed is 98.75%.

(iii) Noted the only change to the Discretionary Council Tax Reduction Scheme agreed at Council on 3 February 2022 is to reflect government changes to the National Living Wage as set out in paragraph.

(iv) Agreed that in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2023/24 shall be as follows:-
2.3.1 Brighton and Hove in whole – 91,986.3 (detail in appendix 1)
2.3.2 Royal Crescent Enclosure Committee – 29.7 (detail in appendix 2)
2.3.3 Hanover Crescent Enclosure Committee – 41.5 (detail in appendix 2)
2.3.4 Marine Square Enclosure Committee – 69.1 (detail in appendix2)
2.3.5 Parish of Rottingdean – 1,666.6 (detail in appendix 2)

(v) Agreed that for the purposes of Section 35(1) of the Local Government Finance Act 1992, the expenses of meeting the special levies issued to the council by the Enclosure Committees shall be its special expenses.

(vi) Agreed that the Enclosure Committees and Rottingdean Parish are paid the required Council Tax Reduction Grant of c£4,000 in total, to ensure they are no better or no worse off as a result of the introduction of the Council Tax Reduction Scheme for the reasons set out in paragraph 3.11.

(vii) Noted that the amount forecast to be received by the council in 2023/24 from its share of local business rates and section 31 Local Government Act 2003 compensation grants is £79.868m, based on the latest data.

(viii) Delegated the agreement of the final business rates forecast and the NNDR1 2023/24 form to the Chief Finance Officer following consultation with the Chair of this Committee and this will be reflected in the Budget report to this committee in February 2023.

## 105 PERMISSION TO ESTABLISH AN URGENCY SUB-COMMITTEE TO OVERSEE DISPOSAL OF 31 PALMEIRA AVENUE, HOVE ALSO KNOWN AS PENNY GOBBY HOUSE

105.1 The Committee considered the report of the Executive Director Families Children & Learning which sought approval to set up an urgency sub-committee to act on behalf of the Council as sole trustee of the Jeanne Saunders Centre (Penny Gobby House) (the Charity), the Charity that owns 31 Palmeira Avenue, Hove, known as the Jeanne Saunders Centre/Penny Gobby House (the Property).

105.2 In response to questions from Members it was confirmed that sub-committee would establish a management committee for the role of being a trustee rather than establishing a committee of this Council, and that arrangements to ring fence any surplus proceeds related to the sale of the property.

105.3 **RESOLVED**: That the Committee agreed to establish an urgency sub-committee which would consist of three members, nominated by group leaders to make decisions on behalf of the Council acting as trustee of the Penny Gobby House School Charity on:

- the disposal of 31 Palmeira Avenue, Hove currently occupied by the Jeanne Saunders Centre ('Penny Gobby House') charity
- the purchase of the Annexe at Connaught Road by the Charity
- arrangements to ringfence any net surplus proceeds of sale for the Charity's use
- the establishment of a management committee.

## 106 KINGSWAY TO THE SEA

106.1 The Committee considered the report of the Executive Director Economy, Environment & Culture which provided an update on the recommended operational model for the management of the outdoor sports facilities and café.

106.2 Members asked what impact the Council would have on the charges for the new facilities under the terms of the new lease and whether there would be any arrangements for community use particularly for those who were disadvantaged. Officers advised that the Council did have the ability to specify within the lease the obligations we would like to place on the leaseholder, but this was not a service contract for which there would be a different form of procurement.

106.3 **RESOLVED:** That the Committee agreed that the pay-for-use sports facilities and outdoor sports hub public café would operate under lease arrangements, offered to the market via an expressions of interest process.

## 107 FULL REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2023

107.1 The Committee considered the report of the Executive Director Governance People & Resources regarding the the statutory review of all polling places and polling districts within Brighton & Hove.

107.2 In response to question about voter ID, it was confirmed that the public would be able to apply for this online and it would be free. There would be a member briefing on this and a press release confirming what residents needed to do.

107.3 Members asked why schools were not being used for polling stations and were advised that head teachers did not want the disruption of the schools being closed for the day and a petition had been presented to the CYPS Committee asking that schools not be used.

107.4 Members asked how many polling stations were located outside of the Ward they served, and officers advised that they didn't have that information but would provide it after the meeting.

107.5 **RESOLVED**: That the Committee –

(i) Agreed the polling district and polling place scheme outlined in Appendix 1.

(ii) Delegated authority to the Executive Lead for Governance, People & Resources to take all measures as are necessary or incidental, as required by law, to implement the changes indicated in para 2.1.

(iii) Delegated authority to the Returning Officer to designate alternative polling places, in the event of any polling place being unavailable, at any elections taking place prior before the next full review of polling places. Group Leaders and respective ward Councillors should be consulted prior to confirming any changes.

## 108 LOCAL LAND CHARGES FEES & CHARGES

108.1 This item was agreed without discussion.

108.2 **RESOLVED**: That the Committee –

(i) Agreed the fees and charges set out in 3.4.

(ii) Delegated authority to the Executive Director Governance, People & Resources to make the changes to fees and charges. Note: If the above recommendations are not agreed, or if the committee wishes to amend the recommendations, then the item will need to be referred to the Policy & Resources Committee meeting on 9th February to be dealt with as part of the overall budget. This is because the budget is being developed on the assumption that the fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget, which means it needs to be dealt with by the Policy & Resources Committee as per the

requirements of the constitution. This will not stop the committee from making recommendations to P&R.

## 109 PROVISION, INSTALLATION AND MAINTENANCE OF CCTV TRAFFIC ENFORCEMENT CAMERAS AND ASSOCIATED ENFORCEMENT SUPPORT SYSTEM

109.1 This item was agreed without discussion.

109.2 **RESOLVED**: That the Committee –

(i) Delegated authority to the Executive Director of Economy Environment & Culture to take all steps necessary to procure the contract for CCTV Traffic Enforcement Cameras and associated enforcement support system.

(ii) Delegated authority to the Executive Director of Economy Environment & Culture to award the contract to the successful bidder for an initial term of three years with the option to extend the contract for a further period of up to two years, subject to satisfactory performance.

## 110 LIFE EVENTS AND CHARGES REVIEW FOR REGISTRATION SERVICES

110.1 This item was agreed without discussion.

110.2 **RESOLVED**: That the Committee approved the fees and charges set out at Appendix 1 of the report (as amended).

## 111 THE UK SHARED PROSPERITY FUND

111.1 The Committee considered the report of the Executive Director Economy Environment & Culture which outlined the Investment Plan for the UK Shared Prosperity Fund (UKSPF or the Fund) in Brighton and Hove, totalling £1.766m for local investment by March 2025. It provided an overview of the interventions and outcomes planned between now and March 2025, delivering against three key investment priorities - Communities & Place, Supporting Local Business, and People & Skills - as provided by the Department for Levelling Up, Housing and Communities (DLUHC).

111.2 Cllr Allcock proposed the following amendment (changes in italics):

2.1 Agree that the UKSPF grant award for Brighton and Hove is spent in line with the Investment Plan, as approved by the Department for Levelling Up, Housing and Communities on 5 December 2022, and summarised in Appendix 1.

*2.2 That item 11 in Appendix 1 summarised as Green Skills Course (projected spend 2022-25 spend £50,000) be redirected to support paid placement opportunities in the council's apprenticeship and preemployment programme for disabled people of all ages with a particular focus on Looked After Children, NEETs who have a disability or EHCP under the age of 25, subject to DLUHC approval.*

2.2*3* Delegate authority to the Executive Director – Economy, Environment & Culture, to take the necessary decisions and actions to oversee delivery of the UKSPF Investment Plan. This includes implementing and administering the scheme and the resulting projects in accordance with the requirements and priorities of the government prospectus and Fund;

2.3*4* Note that an annual report on the progress of the Investment Plan will be brought to this committee;

2.4*5* Note the oversight and evaluation arrangements for the Fund.

111.3 Cllr Appich seconded the proposed amendment.

111.4 Officers advised that if the amendment were agreed it would still be dependent on approval by the DLUHC.

111.5 The Committee voted on the amendment and it was agreed.

111.6 **RESOLVED**: That the Committee –

(i) Agreed that the UKSPF grant award for Brighton and Hove is spent in line with the Investment Plan, as approved by the Department for Levelling Up, Housing and Communities on 5 December 2022, and summarised in Appendix 1.

(ii) That item 11 in Appendix 1 summarised as Green Skills Course (projected spend 2022-25 spend £50,000) be redirected to support paid placement opportunities in the council's apprenticeship and pre-employment programme for disabled people of all ages with a particular focus on Looked After Children, NEETs who have a disability or EHCP under the age of 25, subject to DLUCH approval.

(iii) Delegated authority to the Executive Director – Economy, Environment & Culture, to take the necessary decisions and actions to oversee delivery of the UKSPF Investment Plan. This includes implementing and administering the scheme and the resulting projects in accordance with the requirements and priorities of the government prospectus and Fund;

(iv) Noted that an annual report on the progress of the Investment Plan will be brought to this committee;

(v) Noted the oversight and evaluation arrangements for the Fund.

## 112 COMMITTEE CALENDAR

112.1 This item was agreed without discussion.

112.2 **RESOLVED**: That the proposed timetable of meetings for the 2023/2024 municipal year be agreed; subject to any necessary amendments following changes to the Constitution and/or committees' requirements.

## 112a ACE GRANT BRIGHTON MUSEUM CAPITAL WORKS

112a.1 The Committee considered the report of the Executive Director Economy Environment & Culture regarding the Arts Council England (ACE) grant for Brighton Museum.

112a.2 Cllr Bell left the Chamber for this item.

112a.3 Members asked if there would be any financial risk for this and was advised that there would be no increased risk.

112a.4 **RESOLVED:** That Committee agrees to the novation of £1,463,769 grant agreement between Arts Council England and the Trust to the Council, to carry out the required repair works to the Brighton Museum roof.

## 113 ITEMS REFERRED FOR COUNCIL

113.1 No items were referred to the next meeting of Full Council being held on 2 February 2023.

## 114 PART TWO PROCEEDINGS

114.1 There were no Part Two items on the agenda.

The meeting concluded at 6.30pm

# Brighton & Hove City Council

## Policy & Resources Committee — Agenda Item 119(a)

**Subject:** **Petitions**

**Subject:** **Petitions**

**Date of meeting:** **9 February 2023**

**Report of:** **Executive Director for Governance, People & Resources**

**Contact Officer:** **Name: Lisa Johnson**

**Email: lisa.johnson@brighton-hove.gov.uk**

**Ward(s) affected:** **All**

### 1. Purpose of the report and policy context

1.1 To receive any petitions submitted directly to Democratic Services or any e-Petition submitted via the council's website.

### 2. Recommendations

2.1 That the committee responds to the petition either by noting it or where it is considered more appropriate, calls for an officer report on the matter.

### 3. Context and background information

3.1 To receive the following petition signed by 4961 people at the time of publication:

**Proposed closures of public toilets**

We the undersigned petition Brighton & Hove Council urge the Council to reconsider their proposals to close toilets across public parks in Brighton and Hove.

The impact of this decision on the use of our public parks and open spaces has not been taken into consideration. For example, in Preston Park alone in 2022, over 26,000 people took part in a parkrun, and these people will no longer have access to public toilets. Many of these people will be visitors to the City, who often then spend the day in Brighton. The proposal also identifies 14 disabled toilet facilities for closure across the City. This will have a very negative impact on disabled people. The Council needs to put any decisions on the closure of public toilets on hold until the public has been properly consulted, and a full impact assessment has been undertaken.

Lead Petitioner: Mr A Penwarden

3.2 To receive the following petition signed by 7974 people at the time of publication:

**Stop closure of public toilets in Brighton & Hove by the council**

Brighton Council are proposing the closure of at least 15 public toilets, including disabled ones from 1st April. These include ones in many popular parks such as Stanmer, Wild Park, Preston Park and many along the seafront including Ovingdean, Rottingdean, Black Rock, King Alfred.

This simply can not happen, not only does this affect the general users going for a walk or using the area, but sporting events, such as parkruns and many community, educational and other groups that use these open spaces. Many events simply will not be able to take place without these toilets. It will also do nothing to help the cleanliness of the city which will become increasingly unpleasant in the height of summer with all the visitors to the city. These important public health facilities should be being increased in number, not decreased.

Lead Petitioner: Ms J Claxton

# Brighton & Hove City Council

## Policy & Resources Committee

**Item 122**

**Subject:** **General Fund Revenue Budget, Capital & Treasury Management Strategy 2023/24**

**Date of meeting:** **Policy & Resources Committee: 9 February 2023**
**Budget Council: 23 February 2023**

**Report of:** **Chief Finance Officer**

**Contact Officer:** **Name: Nigel Manvell** **Tel: 01273 293104**
**James Hengeveld** **Tel: 01273 291242**

**Email:** nigel.manvell@brighton-hove.gov.uk
james.hengeveld@brighton-hove.gov.uk

**Ward(s) affected:** **All**

**FOR GENERAL RELEASE**

### 1 PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This report includes the proposed General Fund Revenue and Capital Budget 2023/24 including the latest estimated resource position for 2023/24 to 2026/27, including changes in assumptions arising from the key impacts of the Chancellor's 2-year Autumn Statement 2022 and the subsequent provisional Local Government Financial Settlement. It also includes revised estimates of demographic and cost trends based on the latest information and forecasts. This includes updated tax base forecasts as received by Policy & Resources Committee at its January 2023 meeting.

1.2 The Autumn Statement 2022 purported to increase Local Government Spending Power by 9.2% in 2023/24. However, this includes funding originally intended for social care reforms as well as enabling Council Tax increases of up to 4.99%, including an Adult Social Care precept of 2%.

1.3 The funding available from government and local taxation is significantly short of the estimated inflationary pressures in 2023/24 which must not only provide for anticipated pay awards and price inflation in 2023/24 but must also provide for the excess inflation experienced this year (2022/23), which was not built into council budgets and for which no further government funding has been received. Total inflation and pay award costs next year will be over £28m. On top of inflation, the council also experiences increased demand for social care as well as other cost and income pressures that are expected to total a further £15m. Total additional funding from government grant, Business Rates and Council Tax increases will be around £29m therefore resulting in a budget gap of £14m.This is in the context of government grant reductions of over £100m in the previous decade.

1.4 The announcement of a 2-year Autumn Statement potentially makes the position for the council clearer for next year but not beyond where the implementation and funding of social care reforms remains a key area of uncertainty. The restriction of the Local Government Financial Settlement to a one-year settlement, the fifth in a row, also leaves an element of uncertainty for 2024/25. Similarly, higher Council Tax increases and an Adult Social Care precept would appear to be allowable again in 2024/25 but beyond this, policy will be determined by the next Parliament.

1.5 The scale of the estimated budget shortfall in 2023/24, over £14m, is very significant and follows on from the cumulative savings of £209m since 2009/10 required to achieve lawfully balanced budgets, primarily to meet increases in social care, homelessness and other demands. The scale of the financial challenge next year is an unexpected scenario for councils up and down the country who would not have foreseen double-digit inflation, rising interest rates, widespread recruitment and retention challenges, slow economic recovery, and a deepening cost of living crisis.

1.6 Most councils set budgets for 2022/23 based on a return to some form of normality, expecting steady economic recovery as the country exited from the Covid Pandemic. Instead, the Ukraine invasion started, affecting global energy and food prices, while economic recovery was also weaker than expected due to a range of global and domestic factors, including an apparent exodus of working age people from employment during the pandemic and the impact of withdrawal from the EU on labour markets. These factors have combined to destabilise council budgets, having the effect of suppressing some fees & charges incomes, increasing statutory demands for support to vulnerable households and people, including continuing high levels of Council Tax Reduction claimants, and substantially increasing in-house pay and outsourced contract costs (also driven largely by pay and labour market shortages). This explains the very large budget shortfalls being announced by the majority of councils across the country.

1.7 All of this makes medium term planning very difficult but it now appears that local government finances will remain under pressure for some years, particularly given the trends in demand growth over recent years and the outlook for national public finances. This means that potentially difficult decisions are required this year and next to be able to put the authority onto a sustainable financial footing for the future and to avoid exhausting reserves and balances.

## 2 RECOMMENDATIONS:

That Policy & Resources Committee recommends to Council:

2.1 The Administration's proposed budget and Council Tax increase on the Brighton & Hove element of the council tax, comprising:

i) A general Council Tax increase of 2.99%;

ii) An Adult Social Care Precept increase of 2.00%;

iii) The council's net General Fund budget requirement for 2023/24 of £232.385m;

iv) The 2023/24 budget allocations to services as set out in Appendix 1;

v) The Budget Strategies and proposed savings as set out in Appendix 1:

vi) The one-off resource allocations as set out in the table at paragraph 5.14.

vii) A recommended working balance of £9.000m (approximately 3.9% of the net budget) to be maintained over the period of the Medium Term Financial Strategy.

viii) Approval, in principle, to consideration of introducing a 100% discretionary premium on second homes, subject to the recommendations of an officer report to Policy & Resources Committee as soon as practicable following Royal Assent of the relevant legislation, and application of these resources to replenish the council's reserves within the Medium Term Financial Strategy.

2.2 That Council notes the updated 4-Year Medium Term Financial Strategy included in Appendix 1 including predicted budget shortfalls of £58m over the 4-year period.

2.3 That Council approves the Capital Strategy for 2023/24 at Appendix 2 comprising:

i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 7;

ii) The capital resources and proposed borrowing included at Annex A of the Capital Strategy;

iii) The Capital Investment Programme for 2023/24 of £211.698m included at Appendix 1 and incorporating allocations to strategic funds.

2.4 That Council notes the Equalities Impact Assessments to cover all relevant budget options as set out in Appendix 6.

2.5 That Council further notes that approval of the budget is an indicative resourcing decision to be taken in the context of the explanation given in the Legal Implications paragraph 18.3.

2.6 That Council approves the Treasury Management Strategy Statement as set out in Appendix 3 comprising:

i) The Annual Investment Strategy;

ii) The Prudential and Treasury Indicators;

iii) The Minimum Revenue Provision policy;

iv) The authorised borrowing limit for the year commencing 1 April 2023 of £607m.

2.7 That Council notes that supplementary information needed to set the overall council tax, including a detailed Budget Book, will be provided for the budget setting Council meeting as listed in paragraph 12.3.

That Policy & Resources Committee:

2.8 Agrees that the council's Chief Finance Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to Budget Council.

2.9 Notes the Business Framework set out in Appendix 7 which will underpin the management, governance and delivery of the council's services.

## 3 Context and background information

3.1 The 2023/24 budget is being set in an unprecedented financial and economic environment. The high inflation experienced this year, and expected to continue into 2023/24, alongside a weakened economy, recruitment & retention challenges, and growing demands driven by the cost of living situation is presenting an exceptional financial challenge for local authorities across the country.

3.2 The outcome is that the budget shortfall for this authority in 2023/24 is projected to be £14m with further shortfalls of £44m over the following 3 years. This requires a savings package of £14m in 2023/24 which is the fourteenth year in succession that the authority has had to address a budget deficit since 2010, with cumulative savings of £209m having previously been identified through a mixture of economies, efficiencies, technological advances, changes in provision of social care, income generation and service reductions. The budget gaps have been driven by the growing demands for services, particularly social care and homelessness, together with real terms government grant reductions of over £100m and the capping of Council Tax increases over the period (including two years of freezes), which has meant local taxation has not been able to keep pace with growing costs and demands, or inflation.

3.3 The government's Autumn Statement announced in November 2022 purported to provide substantial funding and an increase in Spending Power of 9.2% provided that councils take up the full Council Tax increase and Adult Social Care precept allowable (4.99%). However, this is clearly short of the resources needed just to stand still. Inflation in 2022/23 was running at over 10% (CPI) and, although predicted to fall throughout 2023/24, will be higher than in recent times. Unlike during the pandemic, no additional government support was provided in 2022/23 for the exceptionally high inflation experienced by local authorities, who do not have the ability to increase Council Tax in-year to compensate. The resources for 2023/24 must therefore not only fund inflationary increases and pay awards next year, but must provide ongoing funding for the excess inflation incurred in the current financial year as well as covering ever-growing increases in demand for services, particularly in the current cost of living crisis which has greater impacts on vulnerable and low income households.

3.4 Overall, the council can expect an increase in resources of approximately £29m from combined government grant, Business Rates and Council Tax increases, but meeting pay and price inflation alone will require £28m. Increases in demand and other cost pressures will add a further £15m, resulting in a budget shortfall of £14m. This is very challenging as can be seen from the budget proposals in this report which include necessarily significant increases to fees & charges to cover increased costs, significant demand-management savings programmes aimed at reducing reliance on higher cost social care placements and reducing emergency and temporary accommodation needs, alongside widespread cuts and reductions in services.

3.5 This has placed a number of authorities in severe financial difficulty with five authorities having now issued Statutory Section 114 notices, which temporarily halts non-critical spending and contracts until a remedial action plan can be agreed. However, there are also many other authorities that have stopped short of Section 114 notices but have been forced to apply to government for 'capitalisation directions' to enable them to use capital receipts or borrowing to fund annual revenue budgets in the short term.

3.6 In light of the increasing incidence of difficulties, advice has been made available to all councillors via two Budget Update bulletins and through the General Fund Budget Process and Resources Update report to January Policy & Resources Committee. This includes legal advice on the role of all councillors in setting the Council Tax and approving the budget and gives an indication of the likely process and consequences of not being able to reach agreement, or being unable to set a lawfully balanced budget, based on the experience of those authorities that have run into difficulties. However, this can only be a guide, as each case is unique and

the resolution is usually very specific to each authority. In all such cases, local authorities are required to notify government before any action is taken and they will be a key stakeholder in reaching a resolution.

3.7 As noted above, this authority has navigated through substantial budget shortfalls over a long period of years, including managing its finances through the pandemic, albeit with the help of substantial government Covid grant funding. However, the pandemic and, latterly, high inflation, have both had an impact on the authority's capacity and ability to achieve planned savings in full and this has contributed to its financial position being less robust than anticipated, particularly when combined with current economic conditions, continued high inflation, and other factors described above that are impacting on finances. This presents a changed reality for the council and it is now in a position of simply not being able to afford to run or maintain some services at the same level.

3.8 This will require robust planning over the 4-year Medium Term Financial Strategy, running from 2023/24 to 2026/27, in order to achieve longer term financial sustainability. This is commented on by the External Auditor (Grant Thornton) in their Annual Report to the Audit & Standards Committee on 24 January 2023[1] where Financial Sustainability is identified as a 'Significant Weakness' and has led to the auditor providing a detailed commentary and a Key Recommendation. The main concerns of the auditor are:

- Annual savings programmes have not achieved the full savings due a range of factors including the pandemic, particularly over the last 2 years;
- The council has used one-off resources to 'smooth' budget shortfalls due to the pandemic over the Medium-Term Financial Strategy, which has eroded its reserves and financial resilience.

The auditor's Key Recommendations are to reduce reliance on one-off resources as far as possible and ensure plans to replenish reserves are robust; to consider opportunities to review service delivery including reviewing the balance of statutory versus discretionary spend, and; to review the process of setting savings targets, in particular giving consideration to building in an element of contingency or 'over-programming'. The auditor comments that 'Due consideration must be given to the fact that the council is likely going to need to make very difficult financial decisions in the near future if it is to maintain its financial sustainability'.

3.9 Utilising (i.e. internally borrowing from) reserves to financially smooth the budget over a period of years is not uncommon practice but, as the auditor notes, it is not desirable. Using financial smoothing to address annual budget gaps can only be undertaken for a short period over the MTFS period because it is an imbalance of ongoing, recurrent expenditure that could otherwise build up very quickly to a large ongoing deficit. Any use of financial smoothing to address a recurrent budget imbalance must therefore be accompanied by a viable medium-term plan demonstrating the replenishment of reserves over the period, recognising that failure to achieve savings or other financial objectives in later years may lead to adverse consequences or measures including:

- Depletion or exhaustion of reserves;
- Extension of spending controls and restrictions;
- Unplanned cuts or reductions to services;

[1] See item 38 of the Audit & Standards Committee: Brighton & Hove City Council - Agenda for Audit & Standards Committee on Tuesday, 24th January, 2023, 4.00pm (brighton-hove.gov.uk)

- Unplanned staffing reductions through either strict vacancy controls, voluntary severance and/or redundancy;
- Diversion of capital receipts from capital investment and the unplanned sale of assets to shore up revenue (i.e. capitalisation) in the short term.

3.10 Balancing the budget for 2023/24 is an immediate priority and this does include proposals that can contribute to the authority's longer term financial sustainability. However, 2023/24 is a very challenging year due to the ongoing impact of high inflation driving a very large budget gap; the focus will therefore be on closing the gap as sustainably as possible. Assuming this can be achieved, there will be more work to do next year and beyond to continue to improve the longer term sustainability of the council, including addressing the auditor's recommendations, given that the resource outlook from the government's 2-year Autumn Statement is not favourable and the longer term outlook for national public finances is not positive.

3.11 The following section details the outcome of the Autumn Statement and subsequent provisional Local Government Financial Settlement alongside updated estimates of other costs and resources.

## 4 RESOURCES AND PLANNING ASSUMPTIONS 2023/24

### Provisional Local Government Financial Settlement (LGFS)

4.1 The provisional Local Government Finance Settlement for 2023/24 was announced on 19 December 2022 and reflected the headline funding announcements for year one of the 2-year Autumn Statement announcement on 17 November which included:

- Confirmation of an allowable 2% Adult Social Care precept which would provide an additional £3.295m if agreed;
- Confirmation that the threshold at which an increase in Council Tax requires a local referendum will be 5% including a 2% Adult Social Care (ASC) precept. Any proposal to increase council tax by 3% or more would therefore need to be accompanied by an agreed substitute budget, which would need to be implemented if the increase were voted down by the electorate;
- £1 billion additional Adult Social Care funding split £400m to local authorities and £600m via the NHS (Better Care Fund). Assumed additional resources for BHCC are £3.373m (Total £4.203m but £0.830m previously announced) based on a 50:50 share of the Better Care Fund element.
- Social Care charging reforms deferred for 2 years but local authorities to be allowed to retain associated funding of £1.3 billion in 2023/24, rising to £1.9 billion in 2024/25 (£6.475m, rising to £9.575m for BHCC).
- Business Rates frozen and various reliefs extended or enhanced. This not only saves on rates bills for council-owned properties and schools but, through Section 31 Grant protection, will bring £6.300m additional resources in respect of government protection for the September CPI uplift. However, this is £1.560m lower than expected due to the government's switch of protection from RPI (12.6%) to CPI (10.1%);
- National Insurance levy increase (1.25%) reversed but also removed from the Services Grant with no overall benefit to the council. However, the Supporting Families funding has also been removed from the Services Grant creating an overall loss of resources of £0.797m;

- Increase in the Revenue Support Grant (RSG) of £0.697m reflecting the application of a CPI inflationary increase but this is offset by removal of the Lower Tier Grant (£0.670m) to protect local authorities with resource increases of less than 3%; a net gain of resources of £0.027m;
- Increase in the New Homes Bonus grant by £0.192m, reflecting the new property completions in the city, however, this has been provided on a one-off basis as the government intends to replace the mechanism for distributing this funding in the future.
- Importantly, £1 billion one-off funding for the Household Support Fund which will ensure that the cost of living crisis can continue to be supported locally alongside the Council Tax Reduction Scheme, Discretionary Housing Payments, Section 17 Preventive payments, and grant support to money advice services and the food partnership. The Household Support Fund allocation for BHCC is expected to be £4.280m

4.2 In total, this provides approximately £19m additional recurrent resources for 2023/24. This, coupled with the assumed 2.99% council tax increase and changes to the tax bases for business rates and council tax provide total additional resources of £29m. However, as noted above this compares to inflationary impacts of £28m and demand and other cost of £15m, leaving a budget shortfall of £14m.

4.3 The final Local Government Finance Settlement is expected to be announced in February 2023.

**Social Care and Better Care Funding (BCF)**

4.4 The government announced £1bn additional funding for social care in the Autumn Statement, of which £600m would be split 50:50 between Health and local government. The £300m is being distributed through a new ASC Discharge Grant with the remaining £400m is being rolled in with the 'Fair Cost of Care' funding of £162m from 2022/23 to give £562m funding for the ASC Market Sustainability and Improvement Fund in 2023/24.

4.5 The government also announced it would delay the introduction of the care reforms from October 2023 to October 2025 and re-purpose this funding to support councils with the increasing costs of social care although there has been no further information on how the care reforms will be funded from October 2025.

4.6 The Independent Living Fund (ILF) grant has been rolled into the Social Care Grant and therefore is not identified separately.

4.7 The government confirmed a further 2% Adult Social Care precept for both 2023/24 and 2024/25.

4.8 All additional funding for Social Care has been directed towards supporting the demand and cost pressures within Social Care services. The table below summarises the resources available to support of Social Care pressures in 2023/24:

| **Table 1: Social Care Resources** | **2021/22** | **2022/23** | **2023/24** |
|---|---|---|---|
| ASC Precepting * | 3%<br>£4.450m | 1%<br>£1.588m | 2%<br>£3.295m |
| Improved BCF | £9.181m | £9.459m | £9.459m |
| Social Care Grant (includes £0.565m from 23/24 previously received as separate ILF grant) | £7.759m | £10.815m | £17.856m |

| | | | |
|---|---|---|---|
| ASC Discharge Grant | | | £1.326m |
| ASC Market Sustainability and Improvement Fund | | | £2.877m |

* *Subject to full Council approval for 2023/24*

**Referendum Threshold**

4.9 The provisional Local Government Finance Settlement confirmed that the threshold at which an increase in council tax requires confirmation from a local referendum will be 5% including a 2% Adult Social Care precept. Any proposal to increase council tax by 5% or more would therefore need to be accompanied by an agreed substitute budget, which would need to be implemented if the increase were voted down by the electorate.

**Business Rate Retention and Council Tax Income**

4.10 Details of the expected business rate retention income forecasts were set out in the report to the January 2023 Policy & Resources Committee. The council is forecast to receive £79.868m from its locally retained share of business rates and Section 31 compensation grants in 2023/24, which is an increase of £8.436m compared to 2022/23. This increase includes 10.1% inflation funded through government section 31 compensation grants, anticipated growth in business space in the city and a review of the likely number of successful appeals against business rates rateable value.

4.11 The Council Tax taxbase report was also agreed by Policy & Resources Committee in January 2023. Assuming a Council Tax increase of 4.99% and taking into account changes to the tax base, the total projected Council Tax income in 2023/24 is £173.298m. This is an increase of £9.646m compared with 2022/23.

**Discretionary Premium on Second Home Ownership**

4.12 Second home ownership in Brighton and Hove City is significant and can potentially have a negative impact in terms of the supply of homes available to meet local housing need which remains very high.

4.13 Following the announcement in May of the Levelling Up and Regeneration Bill, which is still progressing though Parliament without a confirmed timeframe, councils will potentially be able to utilise a new discretionary Council Tax premium of up to 100% on second homes which are not let out or lived in for at least 70 days per year. Initial, high level analysis indicates that that the application of a 100% premium on second homes in Brighton & Hove City could generate up to £2 million additional Council Tax revenue to support the provision of local services.

4.14 For the legislation to be successfully applied and enforced, the government will need to ensure that all potential loopholes are addressed to ensure that there isn't wholesale avoidance of the premium and that councils that choose to implement the discretionary premium are not faced with a significant legal or administrative burden in attempting to enforce payment or close loopholes.

4.15 Before implementation and subject to Royal Assent, a report to Policy & Resources Committee would be required to outline the implications, options and potential timelines for introducing a discretionary 100% Council Tax premium on second homes.

4.16 As part of the 2023/24 General Fund budget proposals, the Administration proposes that the Council approves the principle of introducing a 100% premium on second homes in the city and gives consideration to an officer report to Policy &

Resources Committee as soon as practicable following Royal Assent of the relevant legislation. It is also proposed that, if successful and viable, the resources generated are applied to replenish the council's reserves and that this is reflected within the Medium Term Financial Strategy.

**Other Government Grants**

4.17 The grant allocations for 2023/24 have been included within the summary budget at Appendix 1. Some grant allocations for next year have not yet been announced, in particular, homelessness and rough sleeper funding, Supporting Families funding, and Public Health Grant. However, where these are critical to the setting of the 2023/24 budget, as in the case of those named, a rolled-forward estimate has been included.

**Fees and Charges**

4.18 The council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by a minimum of either the corporate standard inflation rate, statutory increases, or actual increases in the costs of providing a service to reflect cost inflation.

4.19 Over recent years, fees & charges have become an increasingly important element of the council's financial sustainability following real terms grant reductions of over £100 million since 2010. Services therefore benchmark non-statutory fees and charges with other providers and councils to ensure that charges are comparable and competitive within the local context, and can maximise discretionary income to protect essential services wherever feasible. However, fees & charges must normally be set to recover costs. These have increased substantially during 2022/23 but the ability to successfully increase fees & charges in-year is very limited due to short-term impacts on demand (price elasticity), uncertainty over the final costs of service which may ultimately be mitigated by in-year, short-term cost recovery actions, and departure from the council's practice of setting fees & charges annually since its creation in 1997.

4.20 As always, increases to discretionary fees & charges above the standard rate of inflation and changes to concessions or subsidies are normally considered by the relevant service committee in advance of budget proposals. Increases in fees and charges above the standard inflation rate may generate budget savings and, where this is the case, are reflected in savings proposals set out in Appendix 1.

## 5 CORPORATE PLAN INVESTMENTS & PRIORITY SERVICE PRESSURE FUNDING

5.1 The council's Corporate Plan contains priorities that aim for a fairer, sustainable city and contains six outcomes that are supported by a range commitments and actions. Full details are in the published plan and the six outcomes supported are:

- A city to call home
- A sustainable city
- A healthy and caring city
- A city working for all
- A stronger city
- A growing and learning city

5.2 The investments to support these outcomes are continually developing as they are informed by local demographic and economic trends, ongoing research and policy

development, and consultation and engagement with residents, communities, partners and other stakeholders. As the investment requirements become more certain they are built into both the annual budget setting process and, for longer term objectives, into the Medium Term Financial Strategy, so far as they can be estimated and afforded.

5.3 A major investment area for the Corporate Plan relates to housing and homelessness including further capital investment plans of over £54 million to deliver new build or purchased, affordable housing and temporary and emergency accommodation through the self-financing Housing Revenue Account (HRA) and other innovative schemes including the Housing Joint Venture. These plans are well advanced and are set out in detail in the Corporate Plan and the HRA Revenue and Capital Budget also reported to the February Policy & Resources Committee and Budget Council.

5.4 Another important area requiring substantial investment concerns services that can help to support a healthy and caring city. Demands on Social Care services continue to increase reflecting the continuing trend for people to live longer but increasingly with limiting illnesses, disabilities, mental health illnesses or dementia that require increasing social care support to help them stay in their homes and communities. The potential cost of Social Care Reforms on top of the underlying increase in demands and substantial inflationary pressures have resulted in the government further delaying implementation until 2025/26 but allowing local authorities to retain the associated funding.

5.5 The scope for further investment to support priorities in 2023/24 is much more limited due to the impact of high inflation on the council's budget. This requires substantial funding to maintain investment in essential, statutory service provision to safeguard and support vulnerable adults and children. Together with other unavoidable costs pressures, such as energy costs and other contractual pressures (often driven by pay increases and/or labour market shortages), this necessarily limits the availability of resources to address other, non-statutory priorities.

5.6 In total, there are proposed ongoing investments of £30.849m and one-off investments of £1.450m to support services that contribute to Corporate Plan priorities and outcomes. These revenue investments are enabled by proposed local taxation increases (4.99%), including the 2% Adult Social Care precept, increased government grant support, retained business rates income, and the substantial package of savings proposals focused on delivering services at a lower cost through redesign and/or technological changes, as well as generating more income from fees & charges for services. However, the reality for 2023/24 is that a significant element of the required investment is to meet the impact of unusually high inflation and therefore avoid priority services from sustaining 'real terms' cuts in funding.

5.7 The full list of proposed investments to support Corporate Plan priorities and associated outcomes is set out below:

**Table 2: Corporate Plan Investments and Service Pressure Funding 2023/24**

| Corporate Plan Priority | Proposed Corporate Plan Investments | Annual Revenue Investment 2023/24 £m | One-off Revenue Support £m |
|---|---|---|---|
| Housing | Investment in Temporary Accommodation to meet increased demand and address increased lease and other costs | 1.625 | 0.730 |
| | | | |
| | **NEW GENERAL FUND HOUSING INVESTMENTS** | **1.625** | **0.730** |
| A City Working for All | Funding to maintain Sport & Leisure facilities, including funding for increased energy costs | 0.200 | |
| | Funding to address 'Protect' legislation with regards to Counter Terrorism Measures for Public Open Spaces | | 0.070 |
| | Continued waiver of Tables & Chairs licences to Sept 2023 | | 0.050 |
| | Investment to maintain third party reporting centres for hate incidents following ending of temporary funding | 0.060 | |
| | Funding for increased number of Regulation 13 Housing Benefit claims (attracting reduced subsidy) | 0.450 | |
| | **NEW INVESTMENT TO SUPPPORT A WELL-RUN CITY** | **0.710** | **0.120** |
| Climate Action & Sustainability | Investment to maintain Active Travel measures (and enhance public health and air quality) | 0.550 | |
| | Investment to meet increased maintenance and cleaning costs of public toilets and provide additional business support for future resilience of the service | 0.465 | |
| | Investment to maintain and improve City Environmental Services (Refuse & Recycling) | 0.700 | |
| | Managing Ash and Elm Dieback to improve and safely maintain public spaces | | 0.600 |
| | Investment to improve the maintenance and upkeep of City Parks | 0.300 | |
| | | | |
| | **NEW INVESTMENT TO SUPPORT CLIMATE ACTION & SUSTAINABILITY** | **2.015** | **0.600** |
| A Growing & Learning City | Investment to manage the ongoing increase in Education, Health and Care Plans (Education Psychologists) | 0.065 | |
| | Investment in SEN Casework Officers for increased Education, Health & Care Plans | 0.045 | |
| | Funding to address income pressures in retained nurseries | 0.150 | |
| | | | |

| Corporate Plan Priority | Proposed Corporate Plan Investments | Annual Revenue Investment 2023/24 £m | One-off Revenue Support £m |
|---|---|---|---|
| | **NEW INVESTMENT TO SUPPORT A GROWING & LEARNING CITY** | **0.260** | **0.000** |
| A Health & Caring City / A Stronger City | Investment to meet inflation and increased demand for Adult Social Care – Physical Disability Age 18-64 | 1.451 | |
| | Investment to meet inflation and increased demand for Adult Social Care – Physical Disability Age 65+ | 3.479 | |
| | Investment to meet inflation for Adult Social Care – Mental Health | 2.627 | |
| | Investment to meet inflation and increased demand for Adult Social Care – Memory & Cognition support | 1.528 | |
| | Investment to meet the Fair Cost of Care | 1.200 | |
| | Investment to meet inflation and increased demand, including 'transitions', for Adult Learning Disability services | 5.552 | |
| | Investment to maintain in-house Care Home provision (Drove Road) | 0.100 | |
| | Investment to maintain in-house Adult Social Care Home Care services | 0.175 | |
| | Investment to meet increased Children in Care costs, including Children's Disability placement costs | 3.225 | |
| | Increased funding to meet inflation and increased demands on the Home to School Transport Service | 1.337 | |
| | Investment to meet the increased cost of supporting Unaccompanied Asylum Seeking Children (NTS) | 0.500 | |
| | Funding for the redesign of Assessment, Business Support and Preventive services in Adult Social Care to underpin long term savings delivery | 0.359 | |
| | Increased cost of repairs across Hostel sites | 0.020 | |
| | Investment to meet the increased cost of awarding carers relief discount on council tax | 0.073 | |
| | Funding to support increased caseload on children's related court work, including SEN and Education cases | 0.075 | |

| Corporate Plan Priority | Proposed Corporate Plan Investments | Annual Revenue Investment 2023/24 £m | One-off Revenue Support £m |
|---|---|---|---|
| | **NEW INVESTMENT TO SUPPORT A HEALTHY & CARING CITY** | **21.701** | **0.000** |
| Unavoidable Corporate Pressures | Contractual requirement to meet pay award costs for the Royal Pavilion & Museums Trust | 0.400 | |
| | Funding to maintain building security following retendering of contracts (driven by pay uplifts) | 0.050 | |
| | Investment in reactive maintenance to reduce maintenance backlogs across corporate buildings | 0.150 | |
| | Provision for substantial increase in energy costs across the corporate estate (excludes Schools and Council Housing) | 1.410 | |
| | Orbis contribution (ACR) review for IT&D where BHCC costs have increased significantly (due to historic under-investment) together with service disaggregation of HR and Business Operations causing unwinding of savings | 1.529 | |
| | Funding for approved Market Supplement across Legal Services due to severe labour market shortage of lawyers | 0.405 | |
| | Funding for reduced income and recovery of court costs for Council Tax and Business Rates due to change in court procedures | 0.285 | |
| | Provision for various unavoidable above-inflation contractual and service cost increases across a range of priority directorate services | 0.309 | |
| | **CORPORATE SERVICE PRESSURES** | **4.538** | **0.000** |
| | **TOTAL CORPORATE PLAN INVESTMENTS** | **30.849** | **1.450** |

## Reserves Position and One-off Funding

### *Latest Financial Performance in 2022/23*

5.8 Targeted Budget Management (TBM) is the council's system of budget monitoring and the TBM Month 9 (December) report included on this committee agenda shows a projected overspend of £6.573m on the General Fund, which includes a projected underspend of £0.345m on the council's share of NHS controlled Section 75 partnership services. The overall overspend is a substantial improvement of £5.064m since Month 7 (October) but still indicates a very challenging situation caused largely by the impact of high inflation.

5.9 The improved position has resulted from a combination of strict recruitment and spending control since September, alongside normal financial management actions and receipt of increased funding for homelessness and winter hospital discharge management. Unfortunately, the council's Collection Funds are also under significant strain due to economic conditions, in particular, the continued high numbers of Council Tax Reduction claimants which have not fallen back to pre-pandemic numbers. The overall collection fund deficit, including the final 3rd year spread of the 2020/21 deficit is £1.418m.

5.10 The overspend and Collection Fund deficit will need to be met from one-off resources. As normal at budget setting time, all other council reserves have been reviewed to ensure they remain appropriate and relevant for their intended purpose. Where reserves are no longer required, they can be released to support the budget position. Conversely, where they are insufficient, a proposed allocation may be required. Following the review, £1.840m is assessed to be available for release (from the Waste PFI reserve) and will provide resources to partially mitigate the overspend and Collection Fund deficit as shown in the one-off resources table below.

### *One-off Resource Liabilities and Proposed Allocations*

5.11 The working balance will be recommended to continue at a minimum of £9.0m to meet general risks applicable to a unitary authority. If an overspend is sustained in the current year, 2022/23, subject to the availability of other reserves, this may require temporary use of the Working Balance and therefore replenishment (back up to £9.0m) would need to be provided for in the Medium Term Financial Strategy.

5.12 Table 3 identifies the potential resources and liabilities that will need to be taken into account in setting the 2023/24 budget. At this stage, this assumes that spending in 2022/23 will remain in line with the TBM Month 9 (December) projection and the estimated further improvement to year-end from ongoing spending and recruitment controls. At this stage, the table below shows an estimated shortfall in one-off resources of £4.929m in 2023/24 which will need to be met from the Working Balance and replenished over the period 2024/25 to 2026/27.

5.13 This situation is clearly not desirable or sustainable but the severe impact of inflation, the cost of living situation and other national and local economic factors on the budget, without additional in-year government funding support, has placed unprecedented financial pressures on the budget in 2022/23. At its highest, the forecast overspend was £13.1m (in August) but the application of financial management measures, including strict spending and recruitment controls from September, has mitigated this and is expected to bring this down to circa £4.5m by year-end; around 1.8% of the net budget. This is in the context of the Local Government pay award being 4.3% above the original budget provision and social

care provider costs also being significantly above the budgeted provision. These are the two largest costs for the council.

5.14 As noted above, any use of the Working Balance to manage a 2022/23 overspend, together with any Collection Fund deficit and other unavoidable one-off commitments, will require repayment within the 4-year MTFS period to ensure the Working Balance is returned to the recommended level of £9.0m. This will necessarily add to future years' budget requirements and is likely to increase budget gaps (savings requirements) unless future financial settlements significantly improve and/or higher Council Tax increases are allowed and opted for by the full Council.

| **Table 3: One-off Resources, Liabilities and Proposed Allocations** | **£m** | **£m** |
|---|---|---|
| ***Revenue Budget position 2022/23 (TBM):*** | | |
| Forecast outturn underspend (as at TBM Month 9 / December) | -6.573 | |
| TBM further improvement between Month 9 and Outturn | +2.000 | |
| Sub-total Estimated Year-end TBM Outturn | | **-4.573** |
| | | |
| ***Collection Fund Position:*** | | |
| • Estimated 2022/23 Council Tax collection fund net deficit | -1.523 | |
| • Estimated 2022/23 Business Rates Retention collection fund position | +1.573 | |
| • Year 3 council tax collection fund covid smoothing repayment | -1.520 | |
| • Year 3 Business Rates Retention collection fund covid smoothing repayment | -1.207 | |
| Contribution from Section 31 grant towards 3 year smoothing | +1.259 | |
| Sub-total Collection funds net position | | **-1.418** |
| | | |
| **2022/23 mitigations** | | |
| Contribution to Waste PFI reserve not required | | +1.840 |
| Defer planned contribution to reserves | | +0.452 |
| | | |
| **Projected One-off Resources Deficit from 2022/23** | | **-3.699** |
| | | |
| **One-off Allocations in 2023/24:** | | |
| One off pressures in Homelessness prevention | -0.500 | |
| Diseased Trees removal | -0.600 | |
| Temporary Accommodation increased Bad Debt Provision | -0.230 | |
| Continued waiver of Tables & Chairs licences to Sept 2023 | -0.050 | |
| Protect Legislation | -0.070 | |
| Elections 2023 - balance of funding required | -0.230 | |
| Provision for part year effect of savings | -0.100 | |
| **Subtotal** | | **-1.780** |
| | | |
| **Net shortfall in one off resources** | | **-5.479** |
| | | |
| Managed by: | | |

| | | |
|---|---|---|
| Contribution to Waste PFI 2023/24 reserve not required | | **+0.550** |
| Working balance (to be replenished across 2024/5 – 2026/27) | | **+4.929** |
| | | |
| **Balance** | | **0.000** |

5.15 The proposed one-off allocations for 2023/24 are explained in more detail below:

- One-off pressures in Homelessness prevention have been identified. This relates to the continuing higher numbers of Emergency and Temporary Accommodation emanating from the pandemic but which is steadily being addressed. The treatment of this on a one-off basis reflects that there is more affordable and social housing provision due to come on stream within the city in the second half of 2023/24 as well as the potential for additional government funding, as was the case in the current year where an additional £1.006m Homeless Prevention Grant was received.
- Ongoing management of Ash & Elm dieback (health & safety works) (£0.600m): this allocation is in relation to the recommendations emanating from the Tree Diseases report, which were approved by the Environment, Transport & Sustainability Committee at its meeting on 24 November 2020 (Item 43). The allocation will help to manage the ongoing spread of the diseases as well as safely removing dying and unsafe trees from public spaces.
- The cost of living crisis is significantly impacting Temporary Accommodation collection performance in both General Fund and Seaside Homes properties, particularly for former tenants where recovery is uncertain and 100% bad debt provision is required. The pressure is higher in the current year but revised processes are expected to reduce the pressure down to £0.230m in 2023/24 and the position should then revert to normal from 2024/25 as inflation eases.
- Continued waiver of Tables & Chairs licences (£0.050m) to September 2023 required under the Business & Planning Act 2020. This is expected to normalise in the second half of 2023/24.
- There are planned changes to Protect legislation with regards to Counter Terrorism Measures for Public Open Spaces that are due to come into effect in 2023. Health and Safety improvements, estimated at £0.070m, are required to spaces to meet the protect duty and avoid potential liabilities.
- The local elections are funded by councils directly and for 2023 the estimated cost is £0.480m. There is £0.250m set aside in reserves and therefore a further £0.230m is required.
- An assessed provision of £0.100m for timing differences to cover the part-year effect of the commencement of some savings where the lead-in time for consultation and/or redesign will mean that implementation will not be achievable on 1 April 2023.

## 6 SAVINGS PROPOSALS 2023/24

6.1 Taxation and Adult Social Care precept increases, together with additional resources provided by the Autumn Statement 2022 and subsequent Local Government Financial Settlement, are not sufficient to balance the budget due to the need to provide cover for substantial pay award provision, meet increased costs of energy and other types of expenditure, and provide for inflationary increases and growing demands across critical statutory services such as social care and

homelessness. To balance the budget therefore requires a substantial savings programme as has been the case for the previous 13 years since 2010.

6.2 The overall savings package proposed is £14.302m and incorporates the draft proposals presented to the Policy & Resources Committee on 1 December 2022 together with further proposals to close the projected budget shortfall in 2023/24. Savings proposals are provided at Appendix 1.

6.3 Over the previous 6 years, the council has focused on supporting the delivery of many savings through its Modernisation Programme supported by significant capital investment (the Modernisation Fund). This was enabled by generating capital receipts from the sale of surplus assets to create an invest-to-save budget using the government's capital receipt flexibilities, which allows capital receipts to be applied to revenue saving projects and programmes and this flexibility continues through to 2024/25.

6.4 The council approved continuation of the Modernisation Fund in February 2020 over a further 4-year period, through to 2023/24, to enable delivery of the substantial savings and efficiencies required over the period to meet the predicted budget gaps set out in the Medium Term Financial Strategy. The council also utilises the fund to continuously improve value for money as a matter of course because this ensures the best use of its resources and contributes to improved customer and digital services. More information about the Modernisation Fund is given in Section 7 below.

6.5 There are other methods of funding invest-to-save programmes including unsupported borrowing where there is a good business case for doing so. Availability of capital receipts for modernisation is also anticipated to be at a much lower level over the next few years due to high demand for other priority capital investments and fewer assets available or suitable for disposal. More information on the Modernisation Fund and its proposed application are set out in the section on Modernisation Programme Funding below.

## 7 CAPITAL INVESTMENT PROGRAMME AND CAPITAL STRATEGY 2023/24

### *Capital Strategy 2023/24*

7.1 The Prudential Framework requires local authorities to produce a Capital Strategy which is to be presented and approved by members each year. The purpose of the Capital Strategy is to provide a single place for transparency and accountability of local authority non-financial investments and its capital investment programme, including any commercial investments in commercial property or loans to third parties.

7.2 The aim of the Capital Strategy is to ensure members are fully conversant with the risks of non-financial investments and are aware of how the risks are proportional to the council's core service activity. The document will include:

- The proposed Capital Investment Programme
- The Governance & Risk Framework
- Potential and pending non-financial investments
- An overview of the council's Risk Exposure

7.3 The new Prudential Code for Capital Finance issued in 2021 prohibits PWLB lending to local authorities that plan to buy commercial assets primarily for yield. The PWLB will still be available to all local authorities for refinancing. In order to borrow from the PWLB, local authorities are now required to submit a summary of

their planned capital spending and PWLB borrowing for the following three years. The Capital Strategy and Treasury Management Strategy are compliant with the new code and do not include capital investment activity for commercial yield only.

7.4 The Modernisation Programme investments detailed later in the report will be incorporated into the full Capital Strategy alongside new and perennial capital investments that will support sustainability and carbon reduction schemes, improved transport infrastructure, provision for school places, major regeneration projects, and major housing build, acquisition and improvement programmes. Key decisions are required in respect of strategic funds including IT & Digital investment, Strategic Investment Funds (supporting regeneration) and Asset Management Funds. The Capital Strategy forms part of the General Fund budget report to ensure that the link between capital and revenue decisions is maintained and to ensure that budget resourcing decisions are taken in the context of the full range of proposed revenue and capital budgets, resources, investments and savings.

***Capital Investment Programme***

7.5 As previously, a 5-year capital programme has been developed and the associated capital financing implications will be included in the Medium Term Financial Strategy. The capital expenditure estimates incorporate planned rolling investment programmes alongside major infrastructure projects.

7.6 A significant element of the council's capital investment is within rolling programmes. The key programmes, including those re-focused to support Corporate Plan priorities, are as follows:

- Investment in Housing Stock and acquisition through the Housing Revenue Account;
- The Education Capital programme, which provides investment from central government for New Pupil Places, Education Capital Maintenance, High Needs provision and Devolved Formula Capital for schools;
- Disabled Facilities Grants to help maintain people in their homes;
- The Carbon Neutral Investment Programme
- The Local Transport Plan (LTP) to support sustainable transport and transport infrastructure;
- The Information Technology & Digital Investment Fund and Modernisation Fund;
- The Asset Management Fund (AMF) to ensure the strategic elements of the Asset Management Plan can be supported;
- Corporate Planned Maintenance (PMB) to ensure the operational elements of the Asset Management Plan are supported and that backlog maintenance does not build up unduly;
- The Strategic Investment Fund (SIF) to support the advancement of major regeneration schemes and initiatives;
- Vehicle Fleet and plant replacement annual programme.

7.7 The current strategy identifies longer term capital investment plans as well as a funding strategy and the potential outcomes for each investment plan. This strategy includes major investment requirements such as investment in Valley Gardens Phase III, investment in the seafront infrastructure (Kingsway to the Sea) and

heritage lighting, partnership investment through major projects such as the Housing Joint Venture, and investment in the City's environment including parks, sports facilities and trees. Longer term investment for coast protection is also incorporated into the 5 year strategy which includes potential government match-funding.

7.8 Capital receipts from the sale of surplus land and buildings support the capital programme and the projections are regularly reviewed. The capital strategy allows for an assessment of the potential social value of surplus or underperforming assets against the potential disposal value and where possible will aim to maximise the use of assets to enhance social value across a 4 year Asset Management Plan.

7.9 The detailed capital programme is set out in Appendix 1 (and will be included in the Budget Book) and shows the approved and proposed capital investments for each directorate. As well as rolling programmes noted above the programme will cover existing and new scheme proposals including:

- New investment for retrofitting and renewable investment in council housing as well as expansion of the additional council homes investment through the HRA;
- The Carbon Neutral Investment Programme and further investment in the Warmer Homes capital investment programme;
- Similarly, investments in active travel including covered cycle racks, support for green spaces and tree planting, and sports facilities and pitches are proposed to improve air quality and promote public health improvements.

7.10 The overall Capital Investment Programme for 2023/24 is £211.698m. The proposed investments are summarised as follows:

| **Table 4: Capital Investment Programme 2023/24** | **£m** |
|---|---|
| **New Housing** including New Homes for Neighbourhoods, the Home Purchase scheme, the Hidden Homes programme, the Housing Joint Venture, Temporary Accommodation purchases and conversions, and Housing First accommodation | 87.995 |
| **Sustainability & Carbon Reduction** including the Carbon Neutral 2030 Fund, Warmer Homes, Street Lighting, BikeShare, Liveable Neighbourhoods and carbon reduction measures to operational buildings. | 17.597 |
| **Parks & Open Spaces** including playground refurbishments, Kingsway to the Sea LUF, parks infrastructure including tree replacement and Stanmer Park redevelopment | 12.274 |
| **Sport & Recreation** including maintaining and improving the city's sporting facilities including 3G pitches, swimming, cycling, tennis and skatepark improvements as well as supporting investment for the Saltdean Lido | 2.016 |
| **Transport & Highways** reflecting the Local Transport Plan (LTP) allocation for 2022/23, Pothole Action funding and development of the Strategic Transport Model. | 9.791 |
| **New Pupil Places (Basic Need)** to provide educational places for pupils based on demographic changes in the city | 6.614 |
| **Regeneration** including Madeira Terraces, Black Rock, Valley Gardens and Royal Pavilion Estate | 27.537 |

| | |
|---|---|
| **Tackling Inequality** including Disabled Facilities Grant (DFG) projects and the Knoll House redevelopment | 7.710 |
| **Building Maintenance** including the Workstyles programme, Planned Maintenance, Education Buildings Maintenance, the Asset Management Fund and various security, fire and safety works | 25.938 |
| **IT&D / Modernisation** including the Modernisation Fund as well as re-procurement of the Wide Area Network and the Enterprise Resource Planning programme, investment in digital services for customers, and ongoing investment in the IT&D infrastructure | 11.726 |
| **Vehicles & Equipment** for the council's vehicle fleet replacement programme | 2.500 |
| **TOTAL CAPITAL INVESTMENT PROGRAMME 2023/24** | **211.698** |

7.11 The Capital Strategy at Appendix 2 sets out how the programme will be funded from a combination of government grants, capital receipts, capital reserves, HRA direct revenue funding, external contributions and prudential borrowing.

***Modernisation Programme Funding ('Modernisation Fund')***

7.12 As noted earlier, over the previous 4 years, the council has focused on identifying and supporting the delivery of savings through its Modernisation Programme supported by significant capital investment. This is enabled by generating capital receipts from the sale of surplus assets to create an invest-to-save budget using the government's capital receipt flexibilities, which allowed capital receipts to be applied to revenue saving projects and programmes.

7.13 In 2020/21 the council approved the continuation of funding for the Modernisation Programme over the 4-year period 2020/21 to 2023/24 and the Modernisation Fund now included in the Capital Investment Programme for the period to 2023/24 is £16.000m.

7.14 The Modernisation Fund is kept under review as budget plans develop and spend-to-save opportunities and investment requirements emerge in more detail over the planning period. The indicative profile of the Modernisation Fund for 2023/24 is shown in the table below.

**Table 5: Indicative Modernisation Fund**

| **Programme Area** | ***2020/21*** | ***2021/22*** | **2022/23** | **2023/24** | **Total** |
|---|---|---|---|---|---|
| | *£m* | *£m* | £m | £m | **£m** |
| Invest to Save (4-Year Plans) | *0.650* | *0.550* | 0.450 | 0.635 | **2.285** |
| Customer Digital | *1.750* | *1.750* | 1.550 | 1.550 | **6.600** |
| Modernisation enablers | *1.510* | *0.920* | 0.930 | 0.940 | **4.300** |
| Managing staffing changes | *0.700* | *0.500* | 0.400 | 0.115 | **1.515** |
| IT Modernisation Investment | *0.800* | *0.300* | 0.000 | 0.000 | **1.100** |
| **Total** | ***5.410*** | ***4.020*** | **3.330** | **3.240** | **16.000** |

7.15 The Modernisation Fund is expected to be deployed as follows:

- **Invest-to-Save Budget Proposals:** Investment of £0.635m is estimated to be required to support implementation of specific savings and efficiency

programmes including service redesigns, recommissioning and process improvements. Investment requirements are currently being reviewed and finalised and will be refreshed each year. This resource will be held in a reserve and only released through review of business cases by the officer Corporate Modernisation Delivery Board (CMDB). Committee approvals are also sought where required by Financial Regulations and the council's constitution. Alongside many smaller investments, investment in two significant business cases is planned as follows:

- **Foster Care Plus+ business case:** The proposal is to develop a Complex Placements Pod (Foster Care Plus+) within Families, Children & Learning which will recruit, train, develop and support a group of experienced foster carers able to meet the complex needs of the cohort of children currently placed in costly residential and semi-independent placements. Decreasing reliance on residential and semi-independent care placements is, prudentially, estimated to secure net savings of £1.281m over 4 years.

- **City Environmental Management Continuous Improvement Programme:** The improvements and modernisation required across Cityclean and City Parks have to be seen as a long-term programme that will deliver change over time. The substantial cuts to the service over the last 10 years led to a substantial deterioration in legal compliance and safety levels, alongside impacting on the level of service achievable. The former must be prioritised but the pace of change is slow due to the extent and depth of the problems caused by disinvestment in the service over a long period of time.

  The extent of the change required sits alongside industrial relations and staff consultation and engagement, and a lack of basic infrastructure, which increases the lead-in time to implement change collaboratively and safely. However, substantial improvements have been made in relation of the compliance and health and safety issues, as well as employee relations. There is much more work to do in this respect, but it is creating the foundation to deliver more visible improvements in service delivery. Projects and activities to address these will be governed by the City Environment Improvement Board.

- **Customer Digital:** A further £1.550m is anticipated to be required next year to maintain ongoing investment in digital infrastructure and applications and to support continued development of the council's digital services and integration of data across systems and services to improve the accessibility, efficiency and ease-of-use of on-line services. The importance of these services and the digital infrastructure has been highlighted by the pandemic which required a significant number of on-line application portals to be developed very quickly to enable people and businesses to apply for grants and financial assistance remotely. This continues with the Household Support Fund, ongoing development of MyAccount and many other developments.

- **Modernisation Enablers:** £0.940m is estimated to be required to support ongoing change and modernisation programmes next 2 year. This includes everything from an effective project management support team, business improvement analysts, workstyles property team support, investment in 'Our

People Promise' for staff development and skills programmes, together with additional specialist support where required.

- **Managing staffing changes**: efficiency programmes and a continual drive for improved value for money, alongside budget savings proposals, can often result in changes in the level or mix of staffing and skills required across the council. Changing staffing levels or skills will often need financial consideration in order to effect voluntary severance for roles or posts no longer required or needing to be replaced or re-trained with different roles or skills. Estimated resources of £0.115m are required to meet severance costs to manage change next year.

## 8 STAFFING IMPLICATIONS (GENERAL FUND SERVICES)

8.1 An estimate of the posts to be deleted in relation to the budget proposals has been made and indicates that approximately 40.0 full time equivalent (fte) posts are expected to be deleted from the council's staffing structure. Many of these posts will already be held vacant in lieu of savings proposals but some may initially result in staff being potentially placed at risk of redundancy. This is difficult to estimate with certainty but approximately 16.7 fte staff have been identified as potentially at risk at this stage of the process. This information has been shared with the council's recognised trades unions and the staff affected in advance of the release of the Policy & Resources report.

8.2 As in previous years, actual numbers of staff affected will be dependent on the detailed options proposed and on the outcome of formal consultation with staff and unions. As previously experienced, it is likely that some of these will be resolved through normal turnover, or through redeployment to other vacancies across the council, thereby further minimising the risk of redundancies.

8.3 As always, if the forthcoming proposals do potentially place any staff at risk of redundancy the council will support them by:

- 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 Directorate Management Teams (DMT's);
- Offering voluntary severance where appropriate to staff affected by budget proposals on a case by case basis.

These measures will remain in place as consultation with trade unions, staff and other stakeholders is undertaken. Where necessary, a 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 for the future.

## 9 BUDGET BOOK AND MEDIUM TERM FINANCIAL STRATEGY 2023/24 to 2026/27

9.1 The council produces an annual Budget Book which aims to support understanding and transparency of the council's budget by providing:

- Information at sub-divisional levels to aid understanding of the wide range of services and teams in each service directorate;
- Analysis of spending and income by category (subjective analysis);
- Staffing information for each service;
- Analysis of budget movements between years;
- Analysis of savings, investments and service pressure funding by category;
- Information on capital investments.

9.2 The Medium Term Financial Strategy (MTFS) planning assumptions, resource and expenditure estimates are also included within the Budget Book. The MTFS has been revised to reflect the latest cost, income and demand pressures and the proposed 4.99% council tax increase, including a 2% Adult Social Care precept.

9.3 This year, the very late announcement of the Local Government Financial Settlement and the severe financial challenge facing the authority mean that the development of savings and the review of service pressure funding has continued throughout late December and January and has delayed production of the Budget Book. This will therefore be provided to Budget Council as part of the Supplementary Budget report. However, all of the information contained in the Budget Book is separately provided in appendices to this report including budget strategies, savings proposals, capital investment proposals and summary Budget and MTFS information. The MTFS summary is also presented in the table below:

| **Table 6: Medium Term Financial Strategy 2023 to 2027** | **2023/24** | **2024/25** | **2025/26** | **2026/27** |
|---|---|---|---|---|
| | **£m** | **£m** | **£m** | **£m** |
| **Net Budget Requirement B/Fwd** | **199.853** | **232.385** | **260.983** | **267.124** |
| Remove net one off short term funding and expenditure | 15.057 | 2.050 | 0.000 | |
| **Net Budget Requirement B/Fwd** | **214.910** | **234.435** | **260.983** | **267.124** |
| Standard Pay and Inflation assumptions – Expenditure | 9.985 | 13.237 | 11.573 | 10.859 |
| Standard Inflation assumption - Income | (2.922) | (3.825) | (3.453) | (3.552) |
| Demographic and inflationary pressures in Adult Social Care and Adult Learning Disabilities | 16.032 | 8.000 | 7.000 | 5.500 |
| Demographic and inflationary pressures for Children's disability, Children in Care and Care Leavers | 4.081 | 2.400 | 2.000 | 1.750 |
| Inflationary Pressures on Temporary and Emergency Accommodation | 2.355 | | | |
| Inflationary Pressures - Waste PFI | | 0.300 | 0.300 | 0.300 |
| Inflationary Pressures - Energy costs | 1.410 | 0.840 | | |
| Orbis Partnership revised shares and service withdrawal impacts | 1.529 | | | |
| Housing Benefit Subsidy Loss (Regulation 13) | 0.450 | | | |
| Income Pressures | 0.953 | | | |
| All other identified cost and inflationary pressures | 5.489 | 4.000 | 3.750 | 3.500 |
| Increase in Social Care Grant and Better Care Fund | (10.678) | (5.390) | | |
| S117 Mental Health - joint funding | (3.000) | | | |
| Commitments - impacts of previous decisions | 1.236 | 4.943 | 2.511 | 1.879 |
| Commitment - pay award 2022/23 above 2% | 6.000 | | | |

| | | | | |
|---|---|---|---|---|
| Changes in S31 Business Rates Grants | (1.032) | 11.661 | (0.250) | (0.108) |
| Change in contributions to/from reserves | (0.111) | 3.583 | (0.274) | (0.876) |
| Savings identified | (14.302) | | | |
| Budget Gap (Savings Requirement) | 0.000 | (13.201) | (17.016) | (13.387) |
| **Budget Requirement C/Fwd** | **232.385** | **260.983** | **267.124** | **272.989** |
| **Funded by:** | | | | |
| Revenue Support Grant | 7.927 | 8.086 | 8.248 | 8.413 |
| Locally retained Business Rates | 53.791 | 69.312 | 70.521 | 71.040 |
| Collection Fund position | (2.631) | 0.000 | 0.000 | 0.000 |
| Council Tax including Adult Social Care Precept | 173.298 | 183.585 | 188.355 | 193.536 |
| **Total Funding** | **232.385** | **260.983** | **267.124** | **272.989** |

9.4 The Medium Term Financial Strategy (MTFS) above includes estimates for pay awards, price inflation, and pension changes taking into account Office for Budget Responsibility (OBR) forecasts for deflators alongside actuarial pension forecasts in the context of the government's assumptions adopted in the 2022 Autumn Statement. However, an increased assumption for income growth of 3% per annum is assumed based on historic income trends. Detailed assumptions are set out in the MTFS at Appendix 1. The MTFS also includes assumptions regarding future resources including predicted taxbase growth and assumed taxation increases.

9.5 Many other elements of the MTFS reflect previous decisions made by the council including the outcome of local pay negotiations, the award of market supplements, and other approved commitments. The MTFS also reflects the demographic and other cost pressures set out in Table 2 of this report. For 2024/25 and beyond, the demographic and other cost pressures are estimates based on the midpoint of high and low estimates.

9.6 However, there are other notable items in the MTFS as follows:

- Changes to capital financing: the current high level of cash balances (see Appendix 3 Treasury Strategy for reasons) and substantial delays to capital programme spending will significantly reduce capital financing costs over the next 2 years. However, this will eventually smooth out over the MTFS period as capital programmes are eventually expended, as indicated by the reversal of the 2023/24 reduction across later years. This is unless the council later elects to reduce or remove capital schemes from the programme.
- Expected Further Service Grant reductions and ending of the current New Homes Bonus funding with no alternative being proposed by government at present.
- Budget Gap (further Savings Requirement): the Budget Gaps indicate the estimated additional savings required in future years of the MTFS period to balance the budget and, importantly, to repay any reserves used to balance (smooth) the budget in earlier years. The predicted budget gaps remain very significant, even assuming a 4.99% Council Tax increase in 2024/25 (reverting to 1.99% thereafter). Total shortfalls of £58m are projected over the 4-year period, meaning further savings of £44m will potentially need to be identified over the period.

## 10 TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY

10.1 The Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy (AIS) are now incorporated in the budget report to ensure that inter-related financial decisions and strategies can be considered together. The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed (liquidity) and that surplus monies are only invested into counterparties and instruments commensurate with the council's risk appetite.

10.2 Another important function of the Treasury Management service is the funding of the council's capital plans. The capital plans provide a guide to the council's borrowing need, which is essentially the longer term cash flow plan, to ensure the council can meet its approved capital spending obligations.

10.3 CIPFA published revised Treasury & Prudential codes in 2021. The strategy reflects best practice in the updated codes of practice, the main changes of which are outlined in section 5.5 of Appendix 3. The Treasury Management Practices and schedules identify the practices and procedures that will be followed to achieve the aims of the TMSS and that underpin the council's Treasury Management function.

10.4 The Annual Investment Strategy (AIS) for 2023/24 is also incorporated within Appendix 3 to this report. The AIS gives priority to security and liquidity.

10.5 Security is achieved by:

- selecting only those institutions that meet stringent credit rating criteria or, in the case of non-rated UK building societies, have a substantial asset base; and
- limiting exposure risk by limiting the amount invested with any one institution.

10.6 Liquidity is achieved by limiting the maximum period for investment and matching investment periods to cash flow requirements.

10.7 There are no changes proposed to the AIS for 2023/24.

## 11 BUSINESS FRAMEWORK – A WELL RUN COUNCIL 2023 – 2027

11.1 The Business Framework at Appendix 7 is a guide to how the council will deliver services to meet the pressing needs of the city, working within a challenging fiscal environment. It is accompanied by the Medium-Term Financial Strategy, which sets out a significant budget reduction and therefore a need for a sharper focus on core business and essential services. Taken together these documents provide a framework for *how* the council can boost its organisational resilience and deliver the priorities of a forthcoming 2023-2027 Corporate Plan.

11.2 The council's ambition is to be a well-run, high performing council. To achieve this alongside significant budget challenges means that the council will need to work in a different way. In this respect, during 2022 we asked staff to reflect on our Values and Behaviour Framework to think through what ways of working will need to come to the fore as we manage the challenges ahead. Staff emphasised the importance of working in a more agile and collaborative way to drive the innovation and improvement in efficiency that that will be needed. The Business Framework sets out some examples of what values and behaviours will need to mean in practice as the council balances the scale of its ambition against an uncertain economic and political landscape.

11.3 The challenges that lie ahead are not underestimated. The Framework sets out the support that the corporate centre will need to provide to help service areas adapt to the pressures they will face while continuing to meet the needs of the city's communities. In November 2022 staff were also asked what support they needed from each of the corporate pillars identified in the Business Framework to work in a more efficient way. Suggestions included:

- Customer Services – strengthening the commitment to the 'One Council' approach through further joining up the council's services, data and information systems to improve customer journeys and generate efficiencies;
- Our People Promise – ensuring we have a high performing and resilient workforce well placed to respond to the challenges ahead with the right skills to support transformation and develop our approach to data and digital;
- Digital, Data and Technology – making better use of data and digital capabilities to understand and respond to the growing demand on our services in a more integrated way;
- Accommodation Management – consolidating office space to generate efficiencies and enable more agile, matrix ways of working, co-location and collaboration;
- Good Governance – supporting more forward planning and strategic thinking, while streamlining processes, and;
- Financial Resilience – supporting invest-to-save opportunities and clearly communicating the level and range of services the council can provide within the bounds of financial sustainability.

11.4 The Business Framework sets out how this support can be delivered over 2023 to 2027.

## 12 COUNCIL TAX SETTING

12.1 The Administration is proposing a council tax increase of 4.99% which includes a 2% Adult Social Care precept allowed by government within the local government finance settlement. A council tax increase of 4.99% results in a Band D council tax of £1,883.63 for the council's element, an increase of £89.60 from 2022/23; of this increase £35.82 relates to the Adult Social Care precept.

12.2 In order to propose an overall Council Tax for the city, the Council Tax set by the precepting authorities needs to be known and this information will be included in the Supplementary Budget Report to Budget Council.

***Supplementary Budget Report to Budget Council***

12.3 Not all of the budget and council tax information needed to set the budget and council tax is available at present. Therefore, additional information will need to be provided for Budget Council; this will include:-

- Confirmation of the final Local Government Finance Settlement 2023/24.
- Any other grants that are announced before Budget Council.
- The agreed Council Tax set by East Sussex Fire Authority and Sussex Police and Crime Commissioner.
- The statutory Council Tax calculations required under the 1992 Local Government Finance Act.

- The full budget and Council Tax resolution for Budget Council.
- Other information as necessary including a detailed Budget Book.

## 13 REPORT OF THE CHIEF FINANCIAL OFFICER (SECTION 151) UNDER SECTION 25 OF THE LOCAL GOVERNMENT ACT 2003

13.1 Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This report has to be considered by the Policy & Resources Committee and the full Council as part of the budget approval and council tax setting process.

***Robustness of Estimates***

13.2 There is inevitably an element of judgement in drawing up budget estimates of expenditure and income which are made at a point in time and may change as circumstances change. This has never been more evident than in the current year where national and global events discussed in the report have had dramatic and unexpected impacts on nearly every aspect of the council's budget. This statement about the robustness of estimates cannot therefore give complete assurance about the proposed budget but aims to provide the council with reasonable assurance that the budget has been based on the best information and assumptions available at the time, particularly in relation to economic forecasts and indicators, demand-led budget estimates, and pay award and inflation assumptions. It also aims to demonstrate that sensitivity and risks have been considered. However, no local authority's reserves and balances are limitless and severe financial shocks can potentially destabilise any local authority and may require government intervention if this means it can no longer balance its budget and meet statutory duties.

13.3 For 2023/24, further funding of £19.968m has had to be provided to support identified inflationary and demand pressures in priority, demand-led services across Adults Social Care, Children's Safeguarding & Care services, and Homelessness and Rough Sleeper services. Provision for this level of investment substantially supports the predicted demand-led service pressures at the time of setting the budget. This considerably lessens potential overspending risk in 2023/24 but cannot completely remove all risks, particularly concerning locally fragile provider markets and sufficiency, and therefore services will need to continue to contribute to the mitigation of residual risk through management of non-statutory budget areas as normal. With the exception of the current year, which is an outlier in terms of unexpected inflationary and economic impacts, this normally serves to minimise the level of any risk provisions required over and above the council's current working balance. In addition:

- The authority continues to demonstrate its proactive approach to managing the budget. The current year has been the most challenging in the Authority's history and an overspend forecast as high as £13.1m was projected in August 2022 without corrective action. Spending and recruitment controls alongside other financial recovery measures, including delaying capital spend and discussions with NHS partners regarding funding, have brought the forecast down to £6.6m and this is expected to improve further by year-end to at least £4.5m. This is not an enviable position but the collision of numerous fiscal impacts this year have had an unprecedented impact. However, the substantial reduction in the forecast risk indicates the ability of the authority to react to short term financial shocks.

- Despite the severe challenges this year, the authority continues to achieve substantial savings, including a minimum of £6m this year, supported by its Modernisation Programmes and Modernisation Fund. However, over the last 3 years, including the two pandemic years, the achievement of savings in full has been problematic and has been hampered partly by the impact of events on capacity to manage and deliver savings, and partly by a range of economic conditions that have impacted on original assumptions. The External Auditor comments on this in their Annual Report 2021/22, recently considered by the Audit & Standards Committee, and recommends a level of over-programming savings to mitigate against the risk of under-achievement.
- While 'over-programming' of savings is accepted as a sensible objective, with such as large gap to close in 2023/24, the largest for over 5 years, this is not a realistic aim for next year, particularly for a No Overall Control council nearing the end of the current term of Administration. However, with more time to plan, consider and develop options, it should be an objective for future years within the Medium-Term Financial Strategy (MTFS) to improve the council's financial sustainability and maintain or, ideally, improve its reserves position.
- The authority continues to work closely with the Sussex Health & Care NHS body to jointly manage and mitigate risks as far as practicable. This has been evidenced in the current year where the NHS has continued to provide funding to assist in managing hospital discharges and has agreed to joint funding of Section 117 Mental Health provision. Proposals for joint funding arrangements under the Integrated Care System (ICS) continued to be developed for the medium term;
- The authority has been able to maintain its Working Balance and adequate reserves and provisions against known and identified risks and, with the possible exception of the current year (subject to final outturn), had not previously made any unplanned drawdown of its reserves or balances. Initially, internal borrowing from reserves (financial smoothing) of £3.971m was undertaken to support the 2021/22 budget, repayable over a period of 10 years, to manage the financial impact of Covid-19. However, this was later reduced to £1.521m through allocation of £2.450m resources from the 2020/21 outturn underspend to repay reserves early.

13.4 Taking into account identified risks as set out in Appendix 5, the council is recommended to maintain its minimum working balance of £9.000m, which is approximately 3.9% of the net General Fund and represents around 3 weeks' council tax income, as well as maintaining other earmarked reserves to manage any short term pressures. The Working Balance and other usable reserves must mitigate general legal and financial risks including appeals and challenges, as well as potential billing failures, civil contingencies and other emergencies. If an overspend in the current year is confirmed at outturn (usually determined by May/June), including any Collection Fund deficit or other one-off resource requirements that cannot be mitigated, this will be a call on the Working Balance and the Medium Term Financial Strategy will need to accommodate replenishment of the Working Balance over the 4 year period to return it to the recommended level. This is will to add to predicted budget gaps for future years and therefore increase the savings requirement to balance the budget.

### *Adequacy of Reserves*

13.5 The recommendation on the prudent level of the General Fund working balance has been based on the robustness of estimates information and a risk assessment of the budget provided at Appendix 5.

13.6 As indicated above, current analysis of authority-level risks and past experience indicates that a working balance at a level of £9.000m remains prudent and appropriate having taken into account all known and foreseeable risks in relation to the 2023/24 budget. This is supported by the experience of the current year which has sustained unprecedented financial impacts but will not exhaust the Working Balance. If there is an overspend at year-end, including Collection Fund deficits, that draws on the Working Balance, the authority will carry potentially higher risks until the Working Balance is replenished to its full extent over the following 4 years.

13.7 All specific reserves have been reviewed in detail to ensure they are set at an appropriate level as set out in Appendix 4. The council's earmarked reserves fulfil specific contractual, legal or financial risk requirements and are not therefore available to support the annual revenue budget. However, they can be borrowed from internally provided that provision for their replenishment is built into the budget and medium term financial strategy.

### *Assurance Statement of the Council's Section 151 Officer*

13.8 In relation to the 2023/24 General Fund revenue budget, the Section 151 Chief Finance Officer has examined the budget proposals and considers that, with the very substantial investments and service pressure funding provided, reasonable assumptions regarding pay and prices informed by OBR estimates, realistic profiling of capital investments, prudential treasury management estimates, and a reasonable balance of low, medium and higher risk savings proposals, the budget plan for 2023/24 is potentially deliverable with effective governance and accountability at all levels. However, any further, significant downturn of national and local economic performance will heighten delivery risks and may require a return to stricter spending and recruitment controls to avoid further calls on the Working Balance.

13.9 In terms of the adequacy of reserves, the Section 151 Chief Finance Officer considers a working balance of £9.000m for 2023/24 to be adequate, taking into account other available reserves.

## 14 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

14.1 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 23 February 2023. Budget Council has the opportunity to debate the proposals put forward by this committee at the same time as any viable alternative proposals. Budget Council will normally be recommended to adopt special procedures at the start of the Budget Council meeting, which set out the procedure applicable to any alternative budget proposals put forward.

14.2 In this respect, a 'Budget Protocol' for managing alternative proposals (Budget Amendments) was agreed by Policy & Resources Committee on 19 January 2023 which determined both the number of allowable Budget Amendments and the process and timeline for their prior assessment and sign off by the council's Section 151 Chief Finance Officer, Chief Executive and Monitoring Officer.

## 15 SCHOOLS FUNDING AND BALANCES

### Dedicated Schools Grant Funding 2023/24 - Overview

15.1 The Dedicated Schools Grant (DSG) is divided into four blocks – the schools block, the high needs block (HNB), the central school services block (which allocates funding to local authorities for their ongoing responsibilities towards both maintained schools and academies), and the early years block. Each of the four blocks of the DSG are determined by separate national funding formulae (NFF).

15.2 In December 2022, the Department for Education (DfE) announced the updated DSG funding settlement for the 2023/24 financial year. This settlement results in an increase in the published DSG allocation to Brighton & Hove of approximately £9.8m compared to the published 2022/23 figures as shown below.

| Financial Year | Schools Block* £'000 | Central School Services Block £'000 | High Needs Block £'000 | Early Years Block £'000 | Total DSG £'000 |
|---|---|---|---|---|---|
| Provisional 2023/24 | 159,378 | 2,136 | 37,808 | 16,142 | 215,464 |
| 2022/23 | 153,922 | 2,270 | 34,342 | 15,091 | 205,625 |
| Increase | 5,456* | (134) | 3,466 | 1,051 | 9,839 |

* In 2022/23 mainstream schools and academies have received an additional supplementary grant outside of the main DSG allocations. This equates to £4.400m. For 2023/24 this funding has been rolled into the Schools Block figure shown in the table above, meaning that the directly comparable increase in Schools Block funding is actually £1.056m.

15.3 In addition to the core increase in DSG funding the government has also announced a further additional mainstream schools grant for 2023/24. This is the additional funding that was announced in the Government's autumn 2022 statement. For mainstream schools and academies this is estimated at £5.395m. This means total funding available to mainstream schools between 2022/23 and 2023/24 will increase by £6.451m. This equates to a percentage increase in cash terms of 4.1% and an overall increase in per pupil funding of 5.1%.

15.4 It should be noted that the Schools Block pupil numbers have decreased from 29,752 in October 2021 to 29,451 in October 2022. This is a reduction of 301 pupils and means the increase in Schools Block funding between the 2022/23 and 2023/24 is approximately £2m lower than would have been the case if pupil numbers remained unchanged.

15.5 The significant additional investment in the high needs block is in recognition of the increasing costs of supporting children and young people with SEND and will help the local authority manage pressures in this area and establish more local, specialist provision. There is a requirement within the high needs block to pass on guaranteed funding increases to special schools in 2023/24.

15.6 Following a consultation in summer 2022 the government has made changes to the calculation of the Early Years Block. These are generally favourable to Brighton and Hove and have resulted in an overall increase of just over £1m.

### Mainstream Schools

15.7 Core funding allocations for each mainstream school and academy will be determined through calculation using the local authority's funding formula.

15.8 During autumn 2022 it was agreed that limited changes would be made to the operation of the local school funding formula for 2023/24. These proposals were subject to consideration by the Schools Forum in October 2022. The key changes to the 2023/24 local formula are summarised below and follow the principle of moving towards the proposed National Funding Formula on a gradual basis as follows:

- the school supplementary grant funding provided as a separate grant in 2022/23 has been rolled into the Schools Block and core formula budgets in 2023/24;
- in line with government requirements, all LAs must use all national funding formula (NFF) factors except for premises factors which remain optional;
- in line with government requirements, all local formula factor values outside of permitted tolerance levels will be moved 10% closer to those in the NFF;
- apply the mandatory factor to ensure that minimum funding per pupil levels (excluding premises factors) are set at £4,405 for primary schools and £5,715 for secondary schools;
- apply uplifts to formula factors to reflect increases in national funding allocations;
- apply a year-on-year minimum funding guarantee of +0.50% per pupil

15.9 As in previous years, academies and free schools are included in the DSG allocation to ensure all schools, academies and free schools are funded on the same basis using the LA's funding formula. DfE then recoups the funding attributable to academies and free schools and pays this directly to these establishments.

15.10 Funding proposals for 2023/24 were presented to, and agreed with, the Schools Forum on 16 January 2023 and are subject to final sign off by the government.

## 16 COMMUNITY ENGAGEMENT & CONSULTATION

16.1 General information and advice about the council's budget will continue to be provided through the council's web site which provides information and graphics on how money is spent on services, where the money comes from and a summary of the financial challenges ahead. These materials will continue to be promoted to residents across the budget setting period.

16.2 The council will also publicise on-line its key proposals from the budget along with information about council services, and questions and comments invited from residents over the period leading to the February Policy & Resources Committee and Budget Council meetings.

16.3 Frequently asked questions and common themes have previously emerged through the development of the annual budget and have been responded to in our 'Behind the Budget' web page: Behind the budget (brighton-hove.gov.uk)

16.4 The frequently asked questions and themes include:

- Doesn't Council Tax [alone] pay for all council services?
- How about using [i.e. raising or changing] parking charges further?
- [Why not] Cut pay instead of services?
- [Why not] Make students pay Council Tax?
- [Why not] Just cut councillors and/or their allowances?
- [Why not] Charge wealthier people more Council Tax?

- Extra Business Rates will solve the problem [won't they]?

**Other consultation and engagement processes are as follows:**

16.5 Information will be shared with Strategic Partners and community groups as normal. 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 to further share and understand the potential cumulative impact of budget proposals across the city as they take shape.

16.6 In particular, the council continues to engage fully with the Sussex Health & Care (NHS) Integrated Care System to ensure that the budget processes of the two organisations are aligned and communicated as far as practicably possible. As with the council, the local NHS is likely to remain under severe financial pressure due to continually increasing demands on the local health economy.

16.7 There are ongoing briefings and discussions with the Economic Partnership that cover potential funding sources and bids, city regeneration, economic growth, employment and apprenticeship strategies. Officers of the council and members of the administration met with representatives of the Chamber of Commerce and B&H Economic Partnership on 9th January to discuss high level detail of the budget.

16.8 The Schools Forum, a consultative body attended by representatives of all school phases, received a report on the potential areas of interest and potential impact of the General Fund budget proposals at its meeting on 16 January 2023, providing an opportunity to feedback views on the proposals. This is a public, minuted meeting and agenda and minutes are available on the council's website.

16.9 Similarly, officers of the council and members of the Administration met with representatives of the Community & Voluntary Sector on 2 February 2023 to discuss the budget proposals and provide them with an opportunity to feedback their views to the council and members.

16.10 For staff, there have been discussions with the council's recognised unions through local Directorate Consultative Group meetings, engagement through the Joint Staff Consultation Forum and officers and members of the administration have met with union representatives. See also Section 8 Staffing Implications for further information. Further updates are provided via the council's intranet, corporate email broadcasts, and formal consultation and engagement with directly affected staff and union representatives will be undertaken as normal under the council's Organisation Change Management Framework.

16.11 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.

## 17 CONCLUSION

17.1 The council is under a statutory duty to set its budget and council tax before 11 March each year and must agree a lawfully balanced budget. This report sets out the budget assumptions to be used as the basis for Council Tax calculations in order to meet the statutory duty and the proposals to achieve a balanced budget. The full details of 2023/24 revenue and capital budgets are appended to this report

and will be brought together in an annual Budget Book which will provided to Budget Council as a supplementary item.

## 18 FINANCIAL & OTHER IMPLICATIONS

### Financial Implications

18.1 These are contained within the main body of the report.

*Finance Officer Consulted: James Hengeveld* *Date: 01/02/2023*

### Legal Implications

18.2 Whilst the Policy & Resources Committee is being asked to recommend, and subsequently the Council asked to agree, the revenue budget and capital strategy, the budget decision is a resourcing decision and does not necessarily constitute final approval of what policies will be implemented or what sums of money will be saved under the service proposals.

18.3 Any decisions taken as part of the budget setting process are subject to compliance with relevant legal requirements, where appropriate, before implementation. The revenue budget and capital strategy recommendations in the report do not commit the council to implement any specific savings proposal. When specific decisions on budget reductions are necessary, focussed consultations and the full equality implications of doing one thing rather than another will be considered in appropriate detail. If it is considered necessary, in light of equality or other considerations, it will be open to those taking the decisions to spend more on one activity and less on another within the overall resources available to the council.

18.4 For these purposes, the “budget” includes the allocation of financial resources to different services and projects, and setting the council tax.

18.5 Section 52ZB of the Local Government Finance Act 1992 requires a billing authority to determine whether its relevant basic amount of council tax is “excessive”. If the amount is excessive, the billing authority is required to hold a referendum, with a view to applying an alternative amount if the excessive amount is rejected in a referendum.

18.6 The determination of whether a relevant basic amount of council tax is excessive must be made in accordance with principles determined by the Secretary of State.

18.7 Policy & Resources Committee has delegated power to formulate the council’s revenue budget proposals, Capital Strategy, including the capital investment programme, and the Treasury Management Strategy Statement, including the Annual Investment Strategy, and to recommend their adoption by full Council as part of the overall budget setting process.

*Lawyer Consulted: Elizabeth Culbert* *Date: 01/02/2023*

### Equalities Implications

18.8 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 the council is doing so.

18.9 In law, the potential impacts identified, and how far proposed actions mitigate them, must be given due regard by decision-makers when making budget and resource decisions. However, as noted under legal implications above, in setting the budget members are making resourcing decisions which remain subject to compliance with all necessary legal and statutory consultation requirements.

18.10 All proposals with a potential equalities impact in 2023/24 will have an EIA completed and provided to all Members for the Budget Council. EIAs are cross-referenced with savings proposals in Appendix 1. Detailed EIAs are available at Appendix 6.

**Sustainability Implications**

18.11 One of the criteria considered for developing budget proposals, aligned with the Corporate Plan, is whether or not budget proposals contribute to the carbon neutral objective. This plays out through everything from reviewing the council's use of office buildings and facilitating more remote working for staff which can reduce office space, to increasing the number of electric vehicles in its fleet, through to working with the Climate Assembly to identify further opportunities and actions including Low Traffic Neighbourhoods. The capital and revenue budget proposals for 2023/24 cannot address all of the Corporate Plan objectives but do aim to balance support to these and other priorities within the resources available. In addition, the council has been successful in attracting external funding to support this objective including Active Travel funding, Bus Services Improvement Plan funding and funding for Electric Vehicle charging infrastructure.

**Crime & disorder implications:**

18.12 The budget includes provision for many services that support the prevention of crime and disorder, in particular, through the Community Safety budget which includes budgets for supporting Women's Safety including those affected by Domestic Abuse, as well as budgets to promote the council's Anti-Racism Strategy, support efforts to reduce anti-social behaviour and reduce drug related crime. There are also significant budgets provided through the Community Grants programme to third sector organisations also working across these and other areas.

**Public health implications:**

18.13 The budget includes the ring-fenced Public Health Grant which is spent on providing priority public health services, including advice and support, in accordance with the Joint Health & Well-Being Strategy (with the NHS) and Annual Public Health Reports both of which link to national research and guidelines and involve considerable engagement and consultation.

## SUPPORTING DOCUMENTATION

**Appendices:**

1. Budget Strategies and proposed savings
2. Capital Strategy 2023/24
3. Treasury Management Strategy Statement 2023/24
4. Review of Reserves
5. Assessment of Risks
6. Equalities Impact Assessments (EIAs) – Individual Assessments
7. Business Framework – A Well Run Council 2023 - 2027

**Documents in Members' Rooms**

1. None

**Background Documents**

1. Budget files held within Finance

## 2023/24 BUDGET - Budget changes from 2022/23 to 2023/24

**Appendix 1**

| | *2022/23 Adjusted Base £'000* | *Inflation £'000* | *Service Pressures £'000* | *Commitments £'000* | *VFM & Other Savings £'000* | *2023/24 Original Budget £'000* | *Change over adjusted base £'000* | *Change over adjusted base %* |
|---|---|---|---|---|---|---|---|---|
| Families, Children & Learning | **91,415** | 2,860 | 10,974 | (46) | (3,374) | **101,829** | 10,414 | 11.39 |
| Health & Adult Social Care | **56,564** | 1,970 | 10,839 | (2,835) | (3,097) | **63,441** | 6,877 | 12.16 |
| Economy, Environment & Culture | **39,462** | 485 | 4,945 | (1,075) | (4,575) | **39,242** | (220) | (0.56) |
| Housing, Neighbourhoods & Communities | **20,841** | 683 | 2,415 | 35 | (1,874) | **22,100** | 1,259 | 6.04 |
| Governance, People & Resources | **28,100** | 950 | 2,676 | 284 | (1,220) | **30,790** | 2,690 | 9.57 |
| **Total Directorate Spending** | **236,382** | **6,948** | **31,849** | **(3,637)** | **(14,140)** | **257,402** | **21,020** | **8.89** |
| Housing Benefit Subsidy | **(751)** | - | 450 | - | - | **(301)** | 450 | (59.92) |
| Bulk Insurance Premia | **3,502** | 24 | - | 150 | - | **3,676** | 174 | 4.97 |
| Capital Financing Costs | **7,846** | - | - | (1,268) | - | **6,578** | (1,268) | (16.16) |
| Corporate VFM Savings | **(250)** | (9) | - | - | (162) | **(421)** | (171) | 68.40 |
| Contingency and Risk Provisions | **(5,554)** | 187 | - | 6,099 | - | **732** | 6,286 | (113.18) |
| Unringfenced Grants | **(19,695)** | - | - | (8,918) | - | **(28,613)** | (8,918) | 45.28 |
| Levies to External Bodies | **219** | 4 | - | - | - | **223** | 4 | 1.83 |
| Other Corporate Budgets | **(3,004)** | (91) | - | 100 | - | **(2,995)** | 9 | (0.30) |
| Potential Investments and remaining flexibility | **-** | - | - | - | - | **-** | - | - |
| **NET REVENUE EXPENDITURE** | **218,695** | **7,063** | **32,299** | **(7,474)** | **(14,302)** | **236,281** | **17,586** | **8.04** |
| Contributions to/ from(-) reserves | **(3,785)** | - | **-** | (111) | - | **(3,896)** | (111) | 2.93 |
| **BUDGET REQUIREMENT** | **214,910** | **7,063** | **32,299** | **(7,585)** | **(14,302)** | **232,385** | **17,475** | **8.13** |
| **Funded By:** | | | | | | | | |
| Revenue Support Grant | **6,877** | | | | | **7,927** | 1,050 | 15.27 |
| Business Rates Local Share | **47,713** | | | | | **52,579** | 4,866 | 10.20 |
| BRR Tariff/Top-up | **(1,184)** | | | | | **1,212** | 2,396 | (202.36) |
| Business Rates Levy payment | **(140)** | | | | | **-** | 140 | (100.00) |
| Business Rates Collection Fund surplus/(deficit) | **978** | | | | | **412** | (566) | (57.87) |
| Council Tax Collection Fund surplus/(deficit) | **(2,986)** | | | | | **(3,043)** | (57) | 1.91 |
| Council Tax | **163,652** | | | | | **173,298** | 9,646 | 5.89 |
| **Total** | **214,910** | | | | | **232,385** | **17,475** | **8.13** |

# Families, Children and Learning

**Service Context**

The Families, Children and Learning Directorate brings together different services for children and young people as well as services for adults with learning disabilities (LD) and support for skills and employment. Much of the education and special educational needs provision is funded through the ring-fenced Dedicated Schools Grant (DSG). This budget strategy is focused on General Fund spend.

The main area of General Fund spend relates to the placement costs for children and young people in care and adults with LD. Spend on children's placements is under pressure given the national placement sufficiency issues, which have been exacerbated by the pandemic. There is a national shortage of foster care placements and this has resulted in children being placed in provision on the basis of availability rather than need. Such placements tend to be more expensive residential provision. There are also significant pressures on the community care budget for adults with learning disabilities. These pressures are expected to last some time, leading to ongoing financial pressures as high-cost placements continue to be needed.

Nationally the number of children with child protection plans and children being brought into care has reduced slightly over the past 12 months. Over recent years the numbers in Brighton & Hove had been reducing in the context of national rises. During 2022 there has been an increase in the number of children subject to a child protection plan locally. The number of children in care, excluding unaccompanied asylum-seeking children, has decreased although the complexity of need has increased. The impact of covid and national lockdowns on family relationships, particularly in those families with adolescents has been significant and there has been a concerning decline in the emotional health and wellbeing of children There has also been an increase in the number of children with disabilities and complex needs requiring special residential provision. Further pressure on these budgets is anticipated as the impact of Covid-19 manifests itself over the coming years. The cost-of-living crisis is also likely to cause an increase in demand for statutory social work services given the casual link between poverty and child abuse and neglect.

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 also a significant national issue regarding foster placement sufficiency, resulting from the significant rise in the number of children in care. The impact locally is that when placements are required, the lack of options means that placements can sometimes be made on the basis of availability rather than need.

Our vision is for a Directorate that is ambitious and works 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. Inevitably, this requires difficult decisions in balancing untargeted, non-statutory support with preventative, statutory and safeguarding provision.

There are three 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 £9.410m**

This service area includes:

- Early Years, Youth and Family Support (including Children's Centres);
- School Organisation and Access to Education and Hidden Children;
- Education Standards and Achievement;
- Skills and Employment;

- Virtual School for children in care and those previously in care;
- Stronger Families (Troubled Families programme);
- Ethnic Minority Achievement Service and Traveller Education Service.

**Health SEN and Disability Services £49.394m**

This service area includes:

- Inclusion Support Services for Schools including Education Psychology services and Schools Wellbeing services;
- Special Educational Needs services;
- 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.

**Children's Safeguarding and Care £42.280m**

This service area includes:

- Fostering, family placement and permanence services;
- Children in need and child protection social work services;
- Children in care and leaving care services;
- Unaccompanied asylum seeking children services;
- Adolescence and youth offending services;
- Front Door for Families which includes MASH (Multi Agency Safeguarding Hub);
- Multi-disciplinary Partners in Change Hub including Early Parenting Assessment Programme;
- Contact and Family Group Conference Services.



**Users of Families, Children and 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*:

- 31,654 children attend city's school (January 2022)
- 16,944 contacts were received by the Multi Agency Safeguarding Hub/Front Door for Families during the year ending September 2022, of these 3,152 were safeguarding concerns that required follow up work;
- 7,790 Parents/Carers applied for school places (2021-22 academic year);
- 6,061 children receive SEND support in maintained schools (including 1,352 children who have an Education Health & Care plan) (January 2022);
- 6,834 children are eligible for free school meals (January 2022);
- 663 individual unique children attending children's centre nurseries between April 2021 and March 2022.
- , 1093 case work interventions in children's centres in 2021/22, for 1,024 children aged five and under
- 1,013 families were supported by Early Help teams April 2021 to March 2022

- 1,545 children aged under 18 supported by social work to be safe (as at 30 September 2022)
- 297 children are on a child protection plan (as at 30th September 2022);
- We act as Corporate Parent to 385 children in care and 392 care leavers aged between the ages of 18 and 25 (September 2022)
- We provide care for 42 unaccompanied asylum-seeking children (September 2022);
- 486 pupils in Brighton and Hove are educated at home (30th June 2022);
- There are 192 in–house Foster Care Households as at 30th September 2022 including 18 Supported Lodging Households;
- 6 children have been adopted in the last 12 months;
- 743 Adults with a Learning Disability aged 18-64 are in receipt of Adult Social Care as at 30th September 2022.

* 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.

## Budget Strategy

### Direction of Travel

We are committed to working as one Families, Children and Learning Directorate to deliver safe and whole family services, with a focus on improving outcomes and delivering inclusive and accessible provision. The voice of children, young people, their families, and those of adults with learning disabilities is at the heart of everything we do. Our staff are our greatest resource, and we are committed to supporting them and their professional development.

To achieve this, we:

- Promote, support and deliver high quality educational and skills provision;
- Promote whole family working with a focus on reviewing Early Help provision and developing Family Hubs to improve outcomes for disadvantaged and vulnerable people;
- Deliver a safe and effective social work service which responds to changing needs of children and their families;
- Work to support adults with learning disabilities to live independent and positive lives;
- Work with young people and other partners to deliver high quality youth services across the city;
- Co-produce and continue to improve SEND provision and services in the city;
- Manage effective budget arrangements across the directorate;
- Improve the diversity of the workforce.

We commission and deliver services with partners to ensure children, young people and adults with learning disabilities live happy, safe and positive lives, achieving their potential. This is achieved within the context of high demand and reducing resources.

### Areas of Focus for Savings

The Directorate has looked at all the services it delivers, identifying those that are essential. Essential services include those that are statutory, those where a business case demonstrates the service is the best use of resources and those that generate income for the Council. This has led to proposals to make savings in Council Nurseries, Youth, Employment and Skills and Placements.

The Directorate is exploring options for savings on **Adults with Learning Disabilities** through a number of targeted strategies including:

- Continuation of the 'Move On' project supporting adults with LD to move on from high cost placements into new living arrangements which promote independence.
- Appropriate joint funding arrangements to be pursued i.e. Continuing Health Care funding.
- Improved transition arrangements for young people. The Specialist Community Disability Service 14-25 pod will seek to provide a greater focus on this high cost area.
- Review of existing block contracts for outsourced services, to address any over provision and more effective utilisation of voids.
- Expansion of Shared Lives capacity.

The project to increase the number of foster placements and reduce reliance on more expensive residential provider provision is ongoing. This will enable further savings in **Children's Agency Placements:**

- Ensuring value for money is obtained when using external providers; this is supported by the children's services framework contract arrangements and preferred provider guidelines.
- Relationship based social work practice and the specialist adolescence service continues to contribute to diverting children from the care system by meeting need and managing risk within the home.
- For those already in care, there is a focus on stepping down to in house and/or less expensive placements, in line with assessed need, and on returning children to their families where this is safe to do so.

Other areas identified for savings include:

- Cease the Supported Employment Service.
- Reduction in the Youth Led Grants Programme.



Elsewhere, a review of all lines of the FCL budget took place to identify other savings and efficiencies.

**Investment in Services**

The following investment in services is planned to meet demographic and other cost increase to maintain investment in priority services and meet statutory requirements:

- Adults with Learning Disabilities £5.602m;
- Support for Children in Care £3.065m;
- Home to School Transport £1.337m;
- Unaccompanied Asylum Seeking Children £0.500m;
- Support for Children with Disabilities £0.300m;
- Other £0.170m.

## Supporting the Council's Priorities

The budget position is challenging. In undertaking the review of budgets to identify savings, those services supporting the most vulnerable in the City have been protected and it has been ensured that all statutory obligations can be met. Systems for managing demand led services within FCL are well established and robust. A review of Early Help services is in process to ensure that preventive work is effective at reducing the need for high-cost interventions at a later stage.

Horizon scanning, modernisation and planning for future needs is a priority. Work is underway to explore in-house options for children with a disability; this is an area where we currently experience high unit costs.

Below is a summary of work we have planned over the next three years that supports council's priorities as set out in the City's Council Plan and the administration's priorities.

**A city to call home**

- Work to ensure care leavers and adults with a Learning Disability have suitable accommodation.

**A City Working for All**

- Lead on apprenticeship work.
- Support the education and skills city plan.

**A Stronger City**

- Coordinate and support the development of the anti-racist schools' strategy.
- Support to schools in delivering equalities curriculums.
- Continued development of anti-racist social work practice.
- Implementing a coproduced all ages SEND Strategy, including improving access for disabled people.
- Continuing our investment in and partnership working with the local voluntary and community sector.



**A growing and learning city**

- Supporting high quality early years and education provision in the city
- Coordinating the city's Education Partnership.
- Retaining a focus on disadvantaged families, supporting the development of a multi-agency city wide strategic approach and the development of Family Hubs.
- Delivering and supporting high quality youth support in the city and further developing youth engagement opportunities.
- Supporting lifelong learning via the Adult Education Hub and through work with partner agencies.

**A Sustainable City**

- Ensuring sustainability is a priority factor in all delivery and contract management.
- Further exploring environmental education.

**A Heathy and Caring City**

- Delivering a strongly regarded social work service for children and adults with disabilities.
- Delivering on the prevention focussed Starting Well priority in the city's Health and Wellbeing Strategy.

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'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 | No proposed saving - DCS role is a statutory requirement. | |
| **Director of Families, Children & Learning Total** | | | **0** |
| ***HEALTH, SEN & DISABILITY SERVICES*** | | | |
| Services for children with disabilities | Residential, respite and short breaks. | No proposed savings - statutory requirement and budget under pressure due to demand. | |
| Services for children with disabilities and Adults with learning disabilities | Management, assessment, operations and admin | Vacant hours within Specialist Community Disability Service admin team establishment **Risk** - minimal. | **20** |
| Services for children with disabilities | Direct payments | No proposed savings - statutory requirement and budget under pressure. | |
| Services for children with disabilities | Family support services | Non-Statutory function including Cherish and Outreach. Supports vulnerable children and families (SEND) and is linked to provision of extended day services. | |
| Services for children with disabilities | Contracted services, adaptations, management | No proposed savings - budget under pressure due to demand. | |
| Agency placements - disabled children | Independent and non maintained children's homes, special schools and boarding school placements | Limit the number of expensive external residential placements through commissioning and brokerage work (£0.250m). Seek appropriate joint funding arrangements with third parties such as Health for high cost young people under the age of 18 (£0.200m). **Risk**: demand led budget that has to respond to presenting needs, including high cost placements. See EIA 1a & 1b. | **450** |
| Special educational needs | Special Educational Needs | Statutory service with budget under pressure due to demand. | |
| Inclusion Support Service | Inclusion Support Service. Including Educational Psychology Service and Child & Adolescent Mental Health Services (CAMHS) | No proposed savings - includes some statutory services (Ed Psychologists) and support for C&YP around Early Help and Well-being. | |
| Learning Disabilities - Adults Community Care placements | Learning Disabilities | Significant pressure funding to this budget in 2023/24 (mainly for transitions and fee uplift of 5%) will fund the service, enabling it to focus on implementing targeted strategies to reduce placement costs as in previous years, including:<br>- Continuation of The 'Move On' project supporting adults with LD to | **1,100** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | move on from high cost placements into new living arrangements which promote independence (£0.500m);<br>- Appropriate joint funding arrangements to be pursued with third parties i.e. Continuing Health Care funding (£0.250m);<br>- Improved transition planning arrangements for young people. The social work pod will seek to provide a greater focus on this high cost area (£0.200m);<br>- Review of existing block contracts for outsourced services, to address any over provision and more effective utilisation of voids (£0.050m).;<br>- Expansion of Shared Lives capacity to reduce existing higher cost placements (£0.100m) **Risk:** demand led budget that has to respond to presenting needs, including high cost placements. See EIA 2. | |
| Learning Disabilities - Community Support (Adults) | Community Support Service | Vacant hours in existing staffing budget. Saving can be delivered with no change to establishment.<br>**Risk** minimal. | **20** |
| Learning Disabilities - Day Services (Adults) | Learning Disabilities Day Options | No proposed savings - support for adults with LD. | |
| Learning Disabilities - Residential (Adults) | In house Residential and Supported Living | No proposed savings - statutory requirement and budget will grow as 'Move-on' strategies are implemented. | |
| Learning Disabilities - Residential (Adults) | Respite Services | No proposed savings - statutory requirement and contributes to the prevention of additional placements by supporting families. | |
| Learning Disabilities - Shared Lives (Adults) | Shared Lives Service | | |
| Learning Disabilities - Supported Accommodation (Adults) | Registered Supported Living (8 Services) | | |
| **Health, SEN & Disability Services Total** | | | **1,590** |
| ***EDUCATION & SKILLS*** | | | |
| Schools PFI | This budget accounts for credit payments from the DfE to cover the 25 year PFI program for 3 secondary schools. | No proposal to make a saving. The DfE credits are required to meet the final costs of the PFI programme at the end of the 25 year programme and there is already a forecast cost pressure upon its realisation. | |
| Standards & Achievement | Funds core LA school improvement team who support | Continued funding essential for school improvement, monitoring and intervention. Cutting core council funding would mean: 1. Poorer | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | and challenge schools in line with statutory duties outlined in the Education Act 2005,2006 and Schools Causing Concern guidance 2021. It also leads disadvantaged education strategy and educational partnership. | educational outcomes for all, particularly disadvantaged and SEN; 2. Higher number of failing schools and increased academisation. 3. Would lose £0.221m de-delegated monitoring funding (previously monitoring grant) from schools. 4. No work is completed re establishing and maintaining school partnerships. | |
| School Organisation and Admissions. | This includes our staffing costs to support the deliver of our statutory school organisation responsibilities in relation to pupil place planning, school admissions, free school meal eligibility checking and duties placed upon the council in relation to school attendance, exclusions, alternative provision and the responsibility to ensure pupils not in school receive a suitable education. | No proposal for saving given need to ensure effective support to schools and fulfil statutory responsibilities. Funding supports efficient co-ordination and liaison between central council functions and schools (e.g. Emergency Planning, Health & Safety, Finance, Property & Design, HR) Reduction would put additional pressures on those corporate services and could result in schools considering alternative options such as academisation. | |
| Environmental education | This funding supports the delivery of the Brighton and Hove Environmental Education service. | No saving proposed for this non-statutory provision. | |
| Anti racist strategy | Council core funding for LA Adviser and seconded staff from schools to implement an agreed schools anti racism strategy for the City. Work includes direct work with the city's school providing training, challenge and support on anti racism. | Supports council's commitment to becoming anti-racist. Children & Young People Committee agreed 5 year funding to enable anti-racist school strategy to become embedded. Withdrawal of funding would result in racism in schools not being effectively addressed: significant reputational risk for council of withdrawal. | |
| Home to School Transport | Transport arrangements for eligible children aged between 5 and 16 as per LA's statutory duties.<br><br>Discretionary transport arrangements for young people | No savings possible. Statutory service under considerable cost and demand pressures. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | aged between 16-18 from families experiencing low income and for young people with SEND. | | |
| The Virtual School. | This is core councils funding that contributes to the statutory position of Head of Virtual School. All remaining funding for the position and Virtual School comes from designated schools grant. The Virtual School deliver statutory service to Children in Care and Previously Looked After. | Statutory duty and no changes to funding are currently possible. Risk if not funded: Failure to deliver priority statutory services to Children in Care; Children Previously Looked After and Children with a Social Worker. This would mean poorer outcomes for vulnerable children. Significant Risk with Ofsted; Safeguarding of Children and Outcomes for children. Role also oversees services to support safeguarding of children in schools - therefore wider safeguarding risk for children. | |
| Other Educational support | This includes Governor support, Redundancy and Asset management and Education & Traded services support | No savings can be made as this is a traded service with schools that recovers costs (including overheads). | |
| Youth Services | Commissioned community and voluntary sector youth services provides a range of traditional youth services across the city, and include equality groups | Non-statutory, discretionary service. | |
| Youth Services | The Youth Led Grants Programme provides additionally funded youth activities/projects delivered by the community and voluntary sector across the city. | Non-statutory funding where the proposal is to cease the Youth Led Grants Programme.<br>**Risks**: No additional projects funded but reduction could potentially be offset through use of the Holiday Activity and Food (HAF) programme funding. This is dependent upon this funding being continued as part of the annual spending review. HAF monies could be ringfenced for youth groups to focus on providing holiday activities with a healthy meal for young people taking up free school meals. See EIA 3. | **80** |
| Youth Services | Internal council services – Youth Participation Team provide a range of services for children and young people who are/have been in care or receiving social work support; this includes youth advocacy, Children in Care Council. The | Reduce the Youth Work management by reviewing structure and tasks. This would be dependant on the youth led grant proposals being accepted. No savings proposed on the statutory Youth Advocacy or youth participation projects, e.g. Children in Care Council, Care Leavers Forum. Youth Ambassadors, Youth Council etc. | **43** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | service also provides wider participation activities, e.g. Youth Council, Youth Wise. | | |
| Youth Services | The service also provides an accredited Youth Arts Programme | Cease the Youth Arts programme - non-statutory, discretionary service. **Risks:** Reduced opportunities for children to achieve a nationally accredited award and reintegrate them back into education, training or employment. See EIA 4. | **48** |
| Independent Visitors | The Youth Participation Team provide an Independent Visitors (IV) scheme. Two IV coordinators (1.4 fte) recruit, assess, train, match and support IV's, who befriend and support children and young people who are in the care of the local authority. | Statutory service - no savings proposed . | |
| Early Help - Integrated Team for Families and Parenting Service (including the Troubled Families Grant) | The ITF & Parenting Service work intensively with families with children of all ages, who have multiple, complex needs that generally fall just below the social work threshold. The Parenting Service delivers evidence based group and 1:1 targeted parenting interventions. Much of this service is funded by the Supporting Families Grant | The Supporting Families national evaluation shows that complex families have disproportionately high levels of health problems compared to the general population. Family Coaches work with families with a range of physical and mental health needs which they were managing poorly and affecting the whole family. These families are in need of whole family support and robust coordination of services. Improved mental and physical health is a Supporting Families outcome measure and progress towards this target will be monitored closely. | |
| Early Years - Children's Centres | City-wide service providing family support, early learning and support for parents to train and work to improve outcomes for children under 5. These teams will become part of family hub networks moving forward changing existing CC's to family hubs delivering the Early Help services. | Proposal 1: £0.015m saving on Children's Centre Monitoring database being decommissioned. Proposal 2: Stop funding external SLA's totalling £0.034m: Early Childhood project providing stay and play £0.013m; Cease funding to libraries for bookstart post £0.021m. **Risks:** Impact on service delivery by external partners, review needed of SLA's with legal. Note: Children's Centres are in scope for family hub transformation and will be reprofiled against the family hub structure. See EIA 5. | **49** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | Health visiting and midwifery services also deliver from CCs. Integrated Team for Families and Parenting Service based in Tarner and Moulsecoomb. Seven designated Children's Centre's are: Roundabout, Moulsecoomb, Tarner, Hollingdean, Hangleton, Conway Court (SCFT building), Portslade. Note: statutory duty to secure sufficient children's centres and to consult before making significant changes or closing children's centres. | | |
| Pavilion Pre-School | Pavilion Pre-School Portslade, 24 places, term time, school day. Total budget including DSG is 103k. | Pavilion pre school is moving to Mile Oak school in January 2023. | **2** |
| Brightstart Nursery | Bright Start, 50 places full day/year. Total budget including Dedicated Schools Grant (DSG) is 446k. Council subsidy 23%. Total number of children excluding babies Summer 22 - 47 including 12 funded 2 year olds, 9 Early Years Pupil Premium and 5 ASF Autumn term numbers 62 (10 under 2's, 19 2's and 33 3-4's). Located in the 40% most disadvantaged areas of the city. Average percentage of children in receipt of EYPP 27.4%. Average percentage of children living in the 0 to 20% most disadvantaged areas of the city 47.3%. Average number of | This is a non-statutory, discretionary service. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| Section | Service Area | Brief Summary of Budget Proposal/Strategy and Risks | Savings Proposals 2023/24 £'000 |
| | disadvantaged two year olds attending who are in receipt of EYFE 10. | | |
| Jump Start Nursery | Jump Start, Moulsecoomb, 34 places, full day/year. Total budget including DSG is 385k. Provides free meals for DSG funded children. Council subsidy is 54%. Total number of children summer 22 - 37. including 12 funded 2 year olds, 20 Early Years Pupil Premium and 5 ASF. Some children could not be offered places because unable to recruit staff.<br>Autumn term total 27 (13 2's and 14 3-4's) Located in the 30% most disadvantaged areas of the city. Average percentage of children in receipt of EYPP<br>66.8%. Average percentage of children living in the 0 to 20% most disadvantaged areas of the city 80.8%. Average number of disadvantaged two year olds attending who are in receipt of EYFE 14. | This is a non-statutory, discretionary service. | |
| Acorn Nursery | Acorn Nursery, North Portslade. 60 places full day/year. Total budget is 543k including DSG. Council subsidy is 23%. Total number of children summer 22 -49 including. 10 funded 2 year olds, 4 Early Years Pupil Premium and 5 ASF children Autumn term to be confirmed. Located in the 30% | This is a non-statutory, discretionary service. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| Section | Service Area | Brief Summary of Budget Proposal/Strategy and Risks | Savings Proposals 2023/24 £'000 |
| | most disadvantaged areas of the city. Average percentage of children in receipt of early years pupil premium (EYPP) 18.5%. Average percentage of children living in the 0 to 20% most disadvantaged areas of the city 34.9%. Average number of disadvantaged two year olds attending who are in receipt of EYFE 10. | | |
| Cherry Tree Nursery | Cherry Tree Nursery, Hollingdean, 50 places full day/year. Total budget is 522k including DSG. Council subsidy is 26%. Total number of children summer 22 - 48 including 8 funded 2 year olds, 21 Early Years Pupil Premium and 5 ASF children. Some children could not be offered places because unable to recruit staff. Autumn term total 63 (22 under 2's, 13 2's and 28 3-4's). Located in the 40% most disadvantaged areas of the city. Average percentage of children in receipt of EYPP 49.1%. Average percentage of children living in the 0 to 20% most disadvantaged areas of the city 44.2%. Average number of disadvantaged two year olds attending who are in receipt of EYFE 16. | This is a non-statutory, discretionary service. | |
| Roundabout Nursery | Roundabout Nursery, Whitehawk. 86 places full day/year. Total budget is 862k including DSG. | This is a non-statutory, discretionary service. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | Council subsidy is 21%. Total number of children 115 summer 22 including 32 funded 2 year olds and 40 Early Years Pupil Premium and 10. Autumn term total 110 (12 under 2's, 45 2's and 53 3-4's). Located in the 10% most disadvantaged areas of the city. Average percentage of children in receipt of EYPP 50.2%. Average percentage of children living in the 0 to 20% most disadvantaged areas of the city 74.2%. Average number of disadvantaged two year olds attending who are in receipt of EYFE 34. | | |
| Early Years - Childcare Management | Management of the early years service including council nurseries. Support for private and voluntary nurseries, childminders, out of school childcare, childcare workforce training, and management and administration of free early years entitlement for 2/3/4 year olds. Oversight of the Holiday Food and Activity Programme. Statutory duty to secure sufficient childcare places and information, advice and training to childcare providers and to complete an annual childcare sufficiency assessment. Early years providers pay for most training courses. | No saving opportunity identified. Provides key support to Early Years settings. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Skills & Employment | Adult Education Budget & Community Learning | This is funded directly by the Education Skills Funding Agency on an annual non-procured grant. | |
| Skills & Employment | Skills and Employment Core Team | No savings are proposed. This team provides leadership on the employment and skills agenda. The local authority has a statutory duty to secure sufficient suitable education and training provision. This includes:<br>• influencing and shaping the provision on offer and helping to develop and improve the education and training market;<br>• supporting the improvement of the quality of the education and training of young people aged 16-19<br>• supporting employer needs, economic growth and community development working with Local Enterprise Partnerships (LEPs) Local Skills Improvement Plans LSIP as appropriate; and<br>• work in partnership with schools to ensure schools know what support services are available.<br><br>Local authorities should have strategic plans for education and for partnership arrangements post 16 provision providing challenge and support, this is especially important in light of the Post 16 and Skills Act 2022 which introduces a number of reforms to Post 16 and Skills. It would be challenging to ensure provision effectively supports our city's disadvantaged without these posts in place and deliver work to support the corporate plan, a growing learning city and a city working for all priorities and CESP. | |
| Skills & Employment | Apprenticeship and Pre-employment Team | Non statutory service. £0.050m savings - would end paid placement opportunities as part of the pre-employment programme. Paid placements in the council are for disabled people of all ages with a particular focus on Looked After Children, NEETs who have a disability or EHCP under the age of 25. **Risk:** This work currently supports the workforce diversity agenda and the wider Fair and Inclusive strategy.<br><br>The remaining budget supports apprenticeship and pre-employment programmes. Unspent levy is returned to the government on a 'use it or lose it basis' so without this budget further levy would return. Invest | **50** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | to save. The staff support £2m of Levy - over 160 apprentices (length 13months -5 years) As a levy employer we have to ensure quality and adhere to technical funding and apprenticeship regulations. Failure to comply would put the council at financial and reputational risk. Managed transfer of funds to SME's currently at c£0.500m. See EIA 6. | |
| Skills & Employment | Employability Service (Youth Employment, Youth Employment Hub and Supported Employment) | Cease Supported Employment provision and retain Youth Employability Team.<br>Supported Employment Officers work intensely with residents who have learning disabilities to help them seek and maintain paid employment using the supported employment model of place and train. Additionally, support is provided to clients who are employed as well as their employer through training, job coaching and advice.<br>**Risks** re ceasing Supported Employment Team: Reduced support to disabled people in finding and sustaining employment. Equalities impacts upon people over 25 with a learning disability and or autism, ending support for employers and work colleagues through training, job coaching and advice.<br>Under these proposals:<br>• We will continue our statutory duties and non-statutory extended service to BAME young people below level 2 qualification, young carers, care leavers and send up to age 25<br>• We will continue the ESF Think Futures project in partnership with WSCC till the end of the project in December 2023<br>• The Youth Employment Hub is 100% funded by DWP till October 2023 at which time the Hub will discontinue.<br>See EIA 7. | **210** |
| Print & Sign | Print & Sign Unit | Net income generator. | |
| **Education & Skills Total** | | | **482** |
| ***CHILDREN'S SAFEGUARDING & CARE*** | | | |
| Fostering & Adoption | Payments to in-house carers for fostered and adopted children. | No savings proposed - statutory duty. Aim is to ultimately increase in-house carers to reduce Independent Foster Agency costs. | |
| Fostering & Adoption | Staffing teams assessing and supporting foster carers and | No savings proposed - statutory duty. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | potential adopters. Allowances paid to Adopters | | |
| Social Work | Social work staffing teams. | No savings proposed - statutory duty. Social Work has been remodelled and caseloads are at appropriate levels. | |
| Social Work | Expenditure incurred under section 17 & 18 of the 1989 Children Act. | No savings proposed - statutory duty. Contributes to the council's response to welfare reforms. | |
| Social Work | Legal costs relating to assessment and court fees. | No savings proposed - statutory duty and achieves significant cost avoidance. | |
| Contact Service | Family contact for children in care (Chic) and children in need (CIN) | No savings proposed - statutory duty. | |
| Care Leavers | Services for 18-24 year olds leaving care, including staying put and ex-asylum seekers. | No savings proposed - statutory duty. | |
| Agency Placements | Residential, fostering and secure placements for looked after children provided by external agencies | Project to increase the number of in house foster placements and reduce reliance on more expensive independent provider provision is ongoing.<br>Provision of high quality, value for money provision though contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines. In addition to the savings proposed, there is pressure funding for 2023/24 to cover future anticipated increased costs for existing clients.<br><br>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. Close scrutiny of placement costs, together with an increase in in-house foster carers is contributing to a reduction in unit costs.<br><br>**Delivery Risk**: This is a high cost service where the failure of effective prevention and demand management would 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 | 1,282 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | 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.<br><br>**Impact on Outcomes:** Improved practice model prevents children needing care and contributes to improved outcomes for young people. Demand management has implications for managing risk effectively to meet safeguarding requirements and statutory duties. See EIA 8. | |
| Adolescent Service | Support and supervision to young people at risk of exploitation, some of whom are at risk of becoming involved in the Criminal Justice System and preventative work for children and young people at risk of becoming involved in offending. | Modest efficiency savings are possible. | **20** |
| Family Support Services | Family group conferences and intensive intervention initiatives | No savings proposed - supports statutory duty and provides a key preventative service achieving cost avoidance. | |
| Partners in Change Hub & specialist assessments | Lead practitioners and adult workers supporting social workers to mange risk effectively within families; specialist assessments to support social work decision making | No savings proposed - supports statutory duty and provides a key preventative service achieving cost avoidance. | |
| **Children's Safeguarding & Care Total** | | | **1,302** |
| ***QUALITY ASSURANCE & PERFORMANCE*** | | | |
| Children's Safeguarding & Quality Assurance | Specific child protection services, the Brighton & Hove Safeguarding Children's Partnership (BHSCP) and independent reviewing officers. Note: Income of £45k from services to schools has been netted off within the gross budget. | No savings proposed. The BHSCP is a partnership budget, owned alongside Police and Health and is a statutory function. SARS was cut by £22k in 2022/23, including a small staffing reduction. A further resource decision was that the work of the LADO was taken on by the SARS team. This is in a period of consultation with unions following the Post Holder retiring. The safeguarding budget only now contains the Head of Service and 2 QA posts. The QA function could not operate with any cuts and this is essential to safe practice. The Performance Team's budget is partly made up of a traded offer from Schools, Public Health and Supporting Families and the remainder of | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | the budget covers core functions around Statutory Reporting and Performance Data to allow the LA to carry out it's safeguarding function. | |
| **Quality Assurance & Performance Total** | | | **0** |
| **Families, Children & Learning Total** | | | **3,374** |

# Health & Adult Social Care

**Service Context**

The Health and Adult Social Care Directorate (HASC) consist of Public Health, Adult Social Care and Life Events.
Principle service area responsibilities covered in this strategy include services for vulnerable adults including older people, physical disability, mental health, public health and all ancillary activities. Life Events services include Registrars, Bereavement and Coroner. It is to be noted that the provision of services for adults with learning disability and autism sit within Family, Children and Learning Directorate, and are therefore not within scope of this strategy

The wellbeing of Brighton & Hove residents remains at the heart of our approach and is reflected in the HASC core offer, which is to:

- Provide information and advice for all adults seeking care and support;
- Assess need and arrange help for individuals and their carers who are eligible under the Care Act for support from Adult Social Care;
- Target Public Health interventions to support population health outcomes and reduce health inequalities across the city
- Promote preventative approaches to maintain health & wellbeing, insofar as this reduces immediate demand for more expensive, statutory services;
- Maintain and support the local care market;
- Provide support that reduces the need for social care in the longer term and/or prevents the need for a more expensive service; and
- Safeguard vulnerable adults who are at risk of harm or abuse.
- Provide bereavement and registration services.



While there are a range of service areas across the Directorate that contribute to the delivery of this activity, there are three main budget areas, and these are detailed below:

**1) Public Health £0.122m (Funded by grant - gross budget £23.574m)**

This service area includes:

- Substance Misuse
- Sexual Health
- Children 0-19 Public Health programmes
- Health Improvement

With respect to the Public Health ring fenced grant, whilst this budget strategy does not propose a focus on this area it continues to play a vital role in the overarching HASC budget strategy for the following reasons:

- Public Health grant is ring fenced with very specific criteria for spend and has to be considered separately from the general fund.
- HASC strategy, expressed in large part in policy terms through the adopted Joint Health and Wellbeing Strategy is key to resourcing and delivering whole population health outcomes and in the medium/longer term this preventative focus will contribute to the overall financial stability of both the directorate and the Council.

- In the short term the influence and osmosis of Public Health resource is critical to delivery of wider corporate and directorate priorities working with external partners and stakeholders.

**2) Adult Social Care Services (including mental health under S75 arrangement with Sussex Partnership Foundation Trust) £68.358m**

This service area includes:

- Assessment, Social Work, Occupational Therapy and community care for adults requiring physical support, mental health support and memory & cognition support
- Community Short Term services
- Telecare and equipment services
- In house provider services

**3) Commissioning, Contracts and Performance £3.228m**

This service area includes:

- Commissioning & Performance teams
- Self-directed support
- Carer support

**4) Life Events (£0.105m)**

This service area includes:

- Bereavement Services
- Coroner Services
- Registration Services

In total therefore HASC net budget for 2022/23 is £71.603m. The Community Care budget is £48.921m and equates to 68% of the overall HASC budget, meaning our main area of spend relates to the provision of care for those people who have been assessed as eligible for social care support (Community Care). This covers a vast array of services and includes such areas as Residential and Nursing Care and Home Care. Adult Social Care provision is primarily commissioned rather than internally provided. HASC does manage some in house services, which are residential care units at Craven Vale, Ireland Lodge and Wayfield Avenue, home care with a reablement focus through Independence at Home and two hostels, New Steine Mews and Glenwood Lodge.

**Budget Context**

Since 2019/20 there has been a notable change in requests for support from new clients by age group. NHS Digital data shows that nationally there has been an ongoing decrease in requests for social care services from people 65 years and older, and nationally an increase in requests for services from those who are 18 – 64 years, despite a growing population aged 65+. Locally we have seen decreases since 2019/20 in new requests for support across both age groups. However, the rate of decrease has been most notable within 65+ ages, and new requests for 18 – 64 year olds have proportionally risen (2020/21 the proportion of 18–64 year old new requests was 29% of all requests, 2021/22 this has risen to 46%).

The impact of the above is that the number of people in long term funded care services has dropped nationally, and locally has fallen below 3,000 for the first time (though it is to be noted that the 2022/23 data is a head count from April- Sept so does not include the winter months).

| FUNDED CARE SERVICE | 2019/20 | 2020/21 | 2021/22 | 2022/23 (Apr – Sept) |
|---|---|---|---|---|
| Adults receiving domiciliary care | 1,647 | 1,856 | 1,653 | 1,364 |
| Adults receiving residential care | 651 | 637 | 556 | 502 |
| Adults receiving nursing care | 697 | 591 | 486 | 418 |
| Adults receiving a direct payment | 459 | 432 | 436 | 421 |
| Total number of adults provided with long term funded care during the period | **3,454** | **3,516** | **3,131** | **2,705** |

In breaking down the data into age groups we can see a drop in numbers of 65+ clients accessing long term support, falling from 6,530 per 100,000 adults in 2019/20 to 5,490 per 100,000 adults in 2021/22. However, we have seen increases in numbers of 18-64 clients accessing long term support *rising* from 855 per 100,000 adults in 2019/20 to 910 per 100,000 within 2021/22.



The latest CIPFA Performance tracker for 2022 notes a few possible reasons for this. Firstly, the prevalence of Covid in care homes and the risk of carers bringing Covid into households, likely discouraged older people from seeking residential and home care. Secondly, there is evidence that nationally millions more people provided unpaid care during the first year of the pandemic, as people spent more time at home, or were unwilling to allow others into their home due to fears about spreading Covid. This may have depressed demand for local- authority-provided care for older people. It is unclear what has driven the increase of 18–64 year-old clients, but this rising demand for social care from working-age adults will impact on spending, due to this group often having more complex and longer-term requirements than the older population (aged 65+).

The rising cost of services and the increasing cost pressures experienced by many of our providers means that ensuring we have the right services at a sustainable price remains challenging. This is a national picture being faced by many local authorities with Adult Social Care responsibilities. From a budget strategy perspective, the impact of rising inflation and the impact of the pandemic on our unit costs for both residential and nursing care confirms that our current pricing framework, which was already significantly strained, remains challenged.

Following the impact of Covid-19 and potentially of EU Exit, care providers have been dealing with difficulties in workforce recruitment. This has impacted all care sectors across the country but has been particularly acute for home care providers. Our direction of travel is still to enable people to receive care in their own homes rather than for them move to residential care, though this has been challenging over the past year due to there being currently higher demand for home care than availability.

Adult Social Care Charging Reform is planned to be introduced from October 2025, having been delayed from the planned date of October 2023. The reforms include a more generous means-test, a cap on care costs of £86,000, a move towards a 'fair' cost of care, and the ability for people who arrange and fund their own care to ask their

local authority to do it on their behalf. The financial impact of these reforms is as yet not fully understood, with the Local Government Association warning that the cost of the reforms could be significantly higher than currently estimated, and could create further workforce pressure, with additional staff projected to be requires to carry out extra care and financial assessments for those seeking benefits from the reforms. Based on the information known so far we are modelling the investment required for HASC to deliver on these reforms.

**Budget Strategy – Direction of Travel**

HASC's vision is for everyone in Brighton & Hove to have the best opportunity to live a healthy, happy and fulfilling life, by ensuring that they are starting well, living well, ageing well and dying well, and this is set out in the joint Health and Wellbeing Strategy. Our mission is to promote and improve health and wellbeing, supporting people to live independent and fulfilling lives.

In order to achieve this and meet our corporate financial responsibilities of savings and reducing pressures our budget strategy requires:

- **Demand and Complexity management** – whilst both Public Health and Adult Social Care are driven in large part by demand we will continue to adopt means that manage this effectively and equally look to the best services to support the increasing complexity of need we continue to see. This will require ongoing close working with our NHS partners and other key stakeholders. For example, the mental health JSNA shows a significant rise in demand and complexity for people with mental health needs; the Changing Futures Programme provides a multi-agency framework with financial input to support this area. In managing demand, we will focus on prevention and reablement to support and enable people to remain well and independent for as long as possible, reducing the need for long term care. We will also focus on technology enabled care to support people in the most person centred and cost-effective way. We will adopt new models of working in order to manage the increased demand the new Charging Reforms will bring to reduce the pressure on workforce requirements, such as increasing and improving customers' ability to self-assess.
- **Market management** – a review of framework rates will be undertaken alongside continued investment into other service areas such as our domiciliary care services, community support services and supported living provision to ensure that provision across the city remains financially sustainable. We will continue to review the in-house service offer to ensure it aligns with these commissioning intentions. We will enhance the current brokerage offer to manage unit costs for care and support. We will review the Direct Payment offer, with the ambition of increasing the uptake of Direct Payments to employ Personal Assistants.
- **Financial Management** – ensuring robust financial management, value for money and efficiencies. We will focus on our in-house care delivery, ensuring effective use of these services, to manage costs and to support reducing long term care needs. We will continue with budget scrutiny and controls on spend to ensure good financial management. We will look at what we charge for services to ensure they are in line with costs and will improve collection processes to maximise income.

**Investment in Services**

The directorate has received growth funding over the past 3 years of £20.2m acknowledging a combination of increasing demand, complexity and unit cost. HASC are requesting budget growth for 2023/24 of £8m for adult social care services. Adult Social Care pressures are calculated on unit cost increases and increases in demand and complexity in line with trends from previous years.
In 2022/23 HASC committed to managing its pressures and reducing its budget by £2.224m, as part of the Council's savings programme. HASC is projected to deliver a forecast within budget for 2022/23.

**Supporting the Council's Priorities –** HASC supports a One Council approach recognising that it will lead on delivering corporate priorities in some areas working with partners and stakeholders and equally elsewhere, where it may not lead, it can still offer significant support.

**A city to call home**

The Directorate will work jointly with colleagues in Housing, Neighbourhoods and Communities Directorate to ensure the accommodation and social care needs of residents are met. This includes close working on the Changing Futures Programme and confirming service level agreements. We are continuing to identify new models of accommodation in the city for people with complex eligible needs.

**A City Working for All**

The Directorate's Commissioning Strategy will use of the Council's spending power to support local people and businesses, including consideration of social value within contracts. We will continue the integration agenda working with our NHS colleagues to optimise commercial opportunity and economies of scale using our joint buying power. With our sector's significant contribution to the local economy we will support actions agreed to stimulate recovery and respond to any negative impact from the EU exit.

**A Stronger City**

The Directorate will continue our investment in, and partnership working with the local voluntary and community sector and build on joint community working developed through the Covid-19 response.

Ongoing development of social work practice continues to safeguard the most vulnerable in the City from harm, abuse and exploitation. The Directorate is working jointly across the council to support the Accessible City Strategy and the Anti-Racism Strategy.

**A Growing and Learning City**

The Directorate will continue to support strong professional practice informed by national drivers and evidence-based approaches to deliver impact for people and communities. We will explore all the learning from Covid-19 to apply opportunities to improve working practices. The pandemic has raised both nationally and locally the profile of both public health and Adult Social Care (independently from and working with our NHS partners) and we will ensure this learning is applied to future planning. We will work with colleagues from Families, Children and Learning to ensure well managed transitions for individuals between Children and Adult services.

**A Sustainable City**

The Directorate will explore opportunities to support to delivery of key corporate priorities, for example. carbon reduction in the City. Through our commissioning responsibilities and relationships with providers across the city we will explore options to promote and measure carbon reduction.

**A Heathy and Caring City**

The Directorate will take a key role in the delivering actions of the Joint Health and Wellbeing Strategy, supporting an increase in healthy life expectancy and a reduction of health inequalities.

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| ***HEALTH & ADULT SOCIAL CARE*** | | | |
| ***ADULT SOCIAL CARE*** | | | |
| 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<br><br>2,080 budgeted capacity for 2022/23 | HASC has a modernisation programme with programme support to achieve delivery. This is an ambitious programme and risks to delivery include a lack of resource to implement. Risks to delivery would include requiring urgent placements at high costs to meet the winter and other system pressures.<br><br>The action the directorate will take will be to both manage the pressures and deliver the required savings through effective use of the community care budget by:<br>- Managing demand<br>- Technology enabled care<br>- Focus on prevention<br>- Commissioning Strategy<br><br>**Delivery Risk:** The service is expected to receive investment of c£5m in 2023/24 to meet identified demand and inflationary pressures. This puts the service in a stronger starting position and means that it can focus on implementing improvements to care and service pathways to improve its cost base and reduce long term, expensive placements. See EIA 9. | **1,500** |
| Assessment and Support Teams. 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<br>Community Short Term Services<br>Social Work Team<br>Access Point<br>Financial Assessments<br>Rapid Response Team<br>Hospital Discharge Service Acute<br>Planned Response Service<br>Carers Development Team<br>Assessment and Reablement<br>Deprivation of Liberty Safeguarding team | It is proposed to increase Health income to the Hospital Social Work Team and to increase fees & charges. **Delivery risk:** This assumes the successful outcome of negotiations with the NHS. Increased income levels are dependent on the number of fee paying clients not reducing. See EIA 10. | **124** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | Independent Living<br>Carelink | | |
| Assessment & Support and Intervention Team (SIT) | Community Equipment Service | 2% cash limited inflationary increase to contract.<br>**Delivery Risk:** Increase in supply costs impact on delivery of the saving. See EIA 11. | **49** |
| Hostel Accommodation | Hostel Accommodation<br><br>71 beds budgeted for in 2022/23 | Hostel services are part funded by grant and one service operates from leased premises. Any changes to the service would need to consider building issues, service requirements and grant funding. | |
| Memory & Cognition Support - Residential | Ireland Lodge Residential<br>Wayfield Ave Residential<br><br>58 budgeted capacity for 2022/23 | Savings proposal are based on external rental income for an area of one of the buildings, increasing fees & charges and increasing long term beds in order to enhance client contributions.<br><br>**Delivery Risk:** market for rental uncertain. Increase of long term beds reduces hospital discharge short term beds available. Increased income levels are dependent on the number of fee paying clients not reducing. See EIA 12. | **264** |
| Physical Support - Residential | Craven Vale Resource Centre<br>24 budgeted capacity for 2022/23 | Contributes to provision in the city alongside P&I sector beds. | |
| Community Short Term Services | Community Short Term Services & Independence at Home (Including Early Supported Stroke Discharge and Apportionment of Assessment Duties Budget capacity for 2022/23 assumes a max of 65 people in service at any time through 12 month period | Statutory service under significant pressure. | |
| **Adult Social Care Total** | | | **1,937** |
| ***S75 SUSSEX PARTNERSHIP FOUNDATION TRUST (SPFT)*** | | | |
| 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 | Memory & Cognition Support<br><br>442 budgeted capacity for 2022/23 | As for Physical Disability, HASC has a modernisation programme with programme support to deliver change. This is an ambitious programme and risks to delivery could include a lack of appropriate resources. Risks to delivery would include requiring urgent placements at high costs to meet the winter and other system pressures. | **433** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Support, Home Care, direct payments, supported accommodation, residential/nursing care and specialist placements | | The action the directorate will take will be to both manage the pressures and deliver the required savings through effective use of the community care budget by:<br>- Managing demand<br>- Technology enabled care<br>- Focus on prevention<br>- Commissioning Strategy<br><br>**Delivery Risk:** The service is expected to receive investment of £1.5m in 2023/24 to meet identified demand and cost pressures. This puts the service in a strong starting position and means that it can focus on implementing improvements to care and service pathways to improve its cost base and reduce long term, expensive placements. See EIA 9. | |
| 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<br><br>554 budgeted capacity for 2022/23 | HASC has a modernisation programme with programme support to deliver the above. This is an ambitious programme and risks to delivery could include a lack of resource. Risks to delivery would include requiring urgent placements at high costs to meet the winter and other system pressures.<br><br>The action the directorate will take will be to both manage the pressures and deliver the required savings through effective use of the community care budget by:<br>- Managing demand<br>- Technology enabled care<br>- Focus on prevention<br>- Commissioning Strategy<br><br>**Delivery Risk:** The service is expected to receive investment of £2.6m in 2023/24 to meet identified demand and cost pressures. Together with S117 funding from the NHS, this puts the service in a strong starting position and means that it can focus on implementing improvements to care and service pathways to improve its cost base and reduce long term, expensive placements. See EIA 9. | **432** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'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:<br>Mental Health Homeless Team<br>Assessment Treatment Service<br>Living Well with Dementia Service<br>Adult Mental Health Practitioners (AMHP)<br>Crisis Resolution Home Treatment Team (CRHTT)<br>Mental Health Management | Section 75 review should achieve modest savings based on recent trend data and the effectiveness of the partnership in managing demands.<br>**Delivery Risk:** Joint working with health partners and timescales required. See EIA 10. | **122** |
| **S75 Sussex Partnership Foundation Trust (SPFT) Total** | | | **987** |
| ***INTERGRATED COMMISSIONING*** | | | |
| Commissioning & Contracts | Support to Carers | Preventative budget that supports cost avoidance. | |
| Commissioning & Contracts | Adults Commissioning & Performance Team<br>Executive Director Adult Services<br>Safeguarding Team | Primary resource for securing placements and services and managing the provider market. The service scrutinises and manages contracts (with the NHS) to achieve good value for money. This is particularly critical in the current inflationary environment. | |
| Commissioning & Contracts | Integrated Commissioning | Seeking alternative funding for non-statutory community advocacy and Community support worker contract. No inflationary increase to block contracts.<br>**Delivery Risk:** Increased costs pressures present delivery of the savings challenges. See EIA 11. | **173** |
| Commissioning & Contracts | Self Directed Support | No saving opportunity identified. | |
| Commissioning & Contracts | Learning Disability Development Fund | No saving opportunity identified. | |
| **Integrated Commissioning Total** | | | **173** |
| ***LIFE EVENTS*** | | | |
| Life Events | Bereavement Services | No saving opportunity identified. Income trends are down based on 2022/23 activity. | |
| Life Events | Coroner Services | No saving opportunity identified. | |
| Life Events | Registrars | No saving opportunity identified. | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| **Life Events Total** | | | **0** |
| ***PUBLIC HEALTH*** | | | |
| Public Health | Ring-fenced Public Health Grant | Ring-fenced budget. | |
| Substance Misuse | Substance Misuse services residential rehab | Ring-fenced budget. | |
| Sexual Health | Commissioning of sexually transmitted infection (STI) prevention and treatment, contraception, HIV prevention and advice services. | Ring-fenced budget. | |
| Children 0-19 Public Health Programmes | | Ring-fenced budget. | |
| Health Improvement | | Ring-fenced budget. | |
| **Public Health Total** | | | **0** |
| **Health & Adult Social Care Total** | | | **3,097** |

# Economy, Environment & Culture

**Service Context**

The Economy, Environment & Culture directorate works with City and City region partners to develop and deliver services that support low carbon economic growth to maintain an attractive, connected, and well-run city for residents, businesses and visitors.

The Economy, Environment & Culture directorate is leading the city's programme of recovery from the Covid-19 pandemic and progress towards carbon neutrality by 2030.

This is delivered through the following service areas:

- **City Development & Regeneration** – Shaping development in the city through the statutory plan making process, development management which ensures good urban design and protection of heritage and ensuring compliance with the building regulations to ensure safety. Leading the council's work with Greater Brighton and city partners to develop a strong and prosperous and sustainable economy. Leading the Carbon Neutral 2030 Programme, the Circular Economy framework and the Living Coast Biosphere through a growing Sustainability Team. Collecting section 106 and CIL payments, delivering investment in infrastructure and major regeneration and projects and developing new affordable homes through the Homes for Brighton & Hove Joint Venture and New Homes for Neighbourhoods Programme.
- **Transport** – Delivering an accessible, safe and sustainable city transport network that supports growth and enables the city to become carbon neutral by 2030. Maintaining and improving the city's transport network and its highways infrastructure to increase resilience, including managing the risks posed by flooding and protecting coastal structures, as well as working closely with the Department for Transport, Transport for The South East (TfSE) and Coast to Capital Local Enterprise Partnership (LEP) to deliver major infrastructure projects including major City Centre Improvements such as Valley Gardens. Managing the transport network through regulating traffic and parking, influencing people's travel choices to reduce congestion, delivering improvements in air quality and providing sustainable transport options including significant enhancements in public transport provision and Active Travel.
- **City Environmental Management** – Delivering recycling, refuse and street cleaning services to improve the cleanliness of the city, including the delivery of our commercial waste service, garden waste service, bulky waste service, and graffiti reduction strategy. Leading the decarbonisation of the Council's fleet through the delivery of the Fleet Strategy. Management of our city's parks and open spaces, including the delivery of the Stanmer Park Masterplan.
- **Property –** Leading the council's property strategy and the delivery of corporate and commercial property services with an emphasis upon an investment strategy that delivers new revenue streams from our assets, whilst keeping the council's assets safe and fit for purpose, and contributing to housing delivery, the carbon neutral agenda and community wealth. The council's property and land portfolio includes operational assets such as council offices, town halls, heritage, schools and leisure centre assets, commercial properties and agricultural farmlands. Developing and delivering the City Downland Estate Plan to promote natural capital investment, support biodiversity and tackle climate change.
- **Culture, Tourism & Sport** – Leading the recovery of the city's unique arts, culture, museums, events and tourism sectors and expanding these for a wider city region, working extensively with partners. Strengthening the city's positive reputation through progressing the ten-year plan for revitalised sports facilities and investing in key leisure assets, including Kingsway to the Sea. Managing our visitor economy assets including the Brighton Centre, the seafront and our destination marketing service Visit Brighton. Managing outdoor events in the city to support the reputation of the city as a leisure destination and contribute significantly to the economic impact of tourism. The annual calendar is important for cultural recovery, tourism and fundraising by charities and community groups.

**Key metrics for services within Economy, Environment & Culture are as follows:**

**City Development & Regeneration**

- The Planning Service is the third busiest Unitary Planning team in England – dealing with over 3600 planning applications and 600 enforcement cases a year, whilst protecting 3,400 listed buildings and 33 conservation areas.
- The Planning Service consented new homes that led to 1073 completions in 2021/22, of which 479 were affordable.
- The Estate Regeneration team has delivered 14 projects and 227 new council homes via New Homes for Neighbourhoods and has further circa 652 homes in the pipeline. In addition, they are supporting the delivery of a further 346 affordable homes through the Homes for Brighton & Hove joint venture around half of which will become council homes.
- The Economic Development team delivered the Invest4 grant programme of grants (a total of £2.63m), as part of the Business Hot House project, to 200 businesses across the Coast to capital area, fifty of which are in the City of Brighton & Hove. The team also delivered the Business & IP Centre Sussex (Regional Hub), supporting 1,083 businesses in 2021/22 (exceeding the target of 500) and expanding the service to create BIPC Locals in Crawley, Eastbourne and Hastings.
- The Sustainability team distributed £7.8m Carbon Neutral Fund in 2022 to council projects to reduce carbon emissions, enhance biodiversity and tackle climate adaptation.
- Working with Greater Brighton partners to deliver on the energy and water 10 pledges, including lobbying to tightening water efficiency standards for new homes from 110 litres usage per person per day to 80 to reduce the pressure from new buildings on our water-stressed region.
- The Living Coast influences the sustainable and biodiverse management of 390km$^2$ of land in urban and rural settings, and provides opportunities for restoring nature, nature connection, health, wellbeing, clean water and local food for more than a third of a million people. The Living Coast is the UK's only urban Biosphere and part of the global network of 701 UNESCO Biospheres.



**Property & Design**

- Landlord to over 650 commercial urban buildings and over 1000 tenants.
- Manage 10,500 acres of City Downland Estate farmland and Landlord to 14 main farms.
- Corporate Landlord to over 550 operational buildings.
- Produce £11.5m revenue income per annum to contribute to the council's budget, supporting service delivery.
- Achieve £6m of capital receipts per annum to contribute to the council 's Capital Investment Strategy and programme.
- Reduced co2 emissions on council's corporate portfolio by 10.9% in 20/21.

**City Environmental Management**

- Managing approximately 147 parks and gardens spread across the city.
- Management of 8 cemeteries covering approximately 69 hectares.
- Managing 45 playgrounds and 74 outdoor spaces.
- Cleansing 700 miles of pavement.
- Carrying out 7.5 million waste collections per year.
- Providing power to fuel 25,000 homes a year from incineration of waste.

- Management and maintenance of 536 council vehicles.

**Culture, Tourism and Sport**

- Sports facilities with over 1.5 million attendances in the city each year.
- Co-ordination for over 300 outdoor events per annum in public spaces.
- 13 km of seafront, working 365 days per year with 200 properties under management
- Brighton Centre delivers £50-£60m of economic impact for the city per annum and sells 250,000 tickets each year
- Visit Brighton has 540 business partners, promoting the city to visitors and attracting high value conferencing
- Tourism employs over 15,000 people, supporting 16% of city jobs

**City Transport**

- Maintaining 624km of roads, 12 km of Coastline, 1000km of pavements, 20km of bus priority lanes, 325 highway and seafront structures and 38 km of permanent cycle lanes.
- Delivering a £22m Capital Programme of integrated and sustainable transport improvements to better connect and improve neighbourhoods and manage key transport routes, including development of a £28m Bus Service Improvement Programme.
- Managing over 44,300 on and off-street car park spaces, as well as issuing more than 37,700 resident permits and 6,700 other permits, including processing 4,200 Blue Badge applications and managing 11,200existing city resident Blue Badge passes.
- Dealing with more than 4,200 highway obstructions and issuing and enforcing approximately 4,000 skips, scaffold and tables & chairs licences on the highway.
- Leading on improving the City's Air Quality including establishment of Air Quality Management Areas through automated monitoring and air quality analysis and active intervention in partnership with adjacent Local Authorities and Public Transport Operators.
- Leading on decarbonising Transport, a major contributor to the City, through ambitious policies and programmes including Liveable City Centre and the existing and further proposed Ultra Low Emission Zone.
- Maintaining more than 1800 major signal junctions and crossings, 17 variable message signs, and 36 vehicle activated signs to effectively move traffic around the city.
- Leading on the investment in electric vehicle charging infrastructure including the installation of 276 on-street charging points in residential areas and development of electric hubs with rapid taxi and public charging facilities.

**Directorate objectives and the direction of travel for 2020/24 includes:**

- Leading the city's Covid-19 recovery and renewal programme
- Delivery the Climate Assembly and establishing a 2030 Carbon Neutral City plan
- Working across the council and the city to support the city's transition to a circular and more equitable economy
- Leading on the Greater Brighton City Region Covid-19 Economic Recovery Plan and Energy and Water Plans
- Developing a new sustainable local Transport Plan for the City, including a local Cycling &Walking Infrastructure Plan
- Delivering a new City Downland Estate Plan
- Progressing the development of a deliverable business case for the roll out of full fibre and 5G
- Developing a Resources & Waste Strategy for the City
- Developing a new Sports Facilities Investment Plan

- Progressing the city's major regeneration and infrastructure projects
- Delivering new council homes and affordable home through the New Homes for Neighbourhood Programme and Homes for Brighton & Hove Joint Venture

## Budget Strategy

The directorate provides strong civic leadership and fulfils a specific place making role, leading the City's 2030 Carbon Neutral Plan and ongoing Covid-19 recovery work. Working with the Coast to Capital Local Enterprise Partnership, and partners across the Greater Brighton city region, South East 7 (SE7) and Transport for The South East (TfSE) to attract external investment in low carbon growth, increase economic resilience, improve sustainability, strategic and local transport connectivity and local access to jobs, apprenticeships and housing. Focus is also 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, generate new income streams, reduce costs, and become financially more self-sufficient.

***Leading and delivering the City's 2030 Carbon Neutral Programme***

The budget strategy will focus upon leading the 2030 Carbon Neutral Programme and overseeing a co-ordinated programme of investment in projects that will progress the city towards carbon neutrality by 2030. This includes securing investment to deliver sustainable infrastructure, low carbon economic growth, and sustainable travel, building upon the outcomes of the 2020 Climate Assembly and supporting the development of a liveable city centre, low traffic neighbourhoods, and a new Ultra Low Emission Zone, replacing existing income streams or providing new opportunities, to find other alternatives to income from parking.

As local authority funding changes and demand for services increase, continual improvement in energy and carbon management will contribute towards controlling and reducing energy, fuel and water consumption, and spend, contributing to development of the Council's financial resilience, and protection of front-line services. A key focus will be on modernising services to ensure we continue delivering the best for our customers whilst reducing running costs and lowering our carbon footprint.



***Leading the city's Covid-19 Recovery & Renewal Programme***

A continued focus throughout 2023/24 will be supporting the city's recovery from the effects of Coronavirus. This includes securing investment in sustainable infrastructure, energy and visitor economy projects, retrofitting programmes, measures which promote active travel, improving air quality, and delivery of major regeneration projects.

Supporting the recovery of visitor numbers and spend through major events and attractions in the city. Continuing to recover employment in the creative, cultural and tourism sectors. Making best use of the council's operational and commercial property portfolios, with a focus upon delivering sites for affordable housing.

**Areas of Focus for Savings**

- Savings for the directorate will be achieved through a mixture of commercial approaches to generating income, establishing alternative delivery models, service redesigns and transformations,
- Changing the way services are commissioned, finding alternative ways to share environmental responsibilities, generating new income streams, reducing costs, becoming financially more self-sufficient, and focusing on delivering core services well.
- By embedding our carbon management programme across the Council's operations, we will prove ourselves capable of meeting the carbon challenge head on. By doing so we will ensure our continued leadership and influence of local businesses, communities and residents to deliver a city that progresses towards carbon neutrality by 2030.

- Moving forward on new income streams to supplement and replace income from parking, building on the vision for a new Local Transport Plan for the city and opportunities linked to the Liveable City Centre, Ultra-Low Emission Zone and Low Traffic Neighbourhoods.
- Reviewing and revising parking permit fees and tariffs across the city to maximise income generation opportunities and encourage a reduction in congestion, whist promoting alternative, sustainable forms of transport by moderating demand. Alongside this, improving the approach to debt recovery in parking and tackling permit fraud.
- Reviewing the council's operational assets to support changes in service delivery across the council, reducing spend on running costs wherever possible and delivering potential capital receipts and developing a new Accommodation Strategy focusing on rationalisation of the council's corporate offices. Review the council's commercial assets in conjunction with the One Public Estate Agenda, working with other public sector organisations in the region to release sites and or re-locate services enabling regeneration and comprehensive redevelopment of sites.
- Reviewing access to council services across the city and contributing to the corporate customer experience strategy through new arrangements to Customer service centres and switchboard reception services

**Areas for investment**

- Delivery of the capital investment programme of projects to support the city recovery from the Covid-19 pandemic and transition to Carbon Neutral by 2030.
- 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 affordable housing and business space whilst generating income from land and property assets and increasing business rate and council tax returns.
- Continue investment in the development of new Council housing through the New Homes for Neighbourhood Programme and new living wage rent housing through the Homes for Brighton & Hove Joint Venture.
- Delivering major regeneration programmes. During 2021 and 2022 over 500 new homes and 80,000 ft2 of new office space will come online at Circus Street and Preston Barracks (both major regeneration sites), generating approximately £1m per year in new council tax and business rates.
- Investment in Seafront Infrastructure, including £12m investment in the eastern seafront at Black Rock and progressing the restoration of Madeira Terraces.
- Implementation of the new 10-year Sports Facilities Investment Plan, including initial investment in the King Alfred Leisure Centre.
- Delivery of £9.5m government Levelling Up funding for £13 million regeneration of Kingsway to the Sea.
- Implementation of the City Downland Estate Plan with over 60 actions prioritised into a short, medium and long term programme of projects, using natural capital and generating income Continued investment in the city's cultural assets, with the completion of the 'Heritage Centre Stage' restorage of the Corn Exchange and Studio Theatre on the Royal Pavilion Estate and The Dance Space at Circus Street.
- Delivery of the Royal Pavilion Estate Masterplan and £35m capital investment programme.
- Investment in the expansion of the City Bikeshare Scheme through the procurement of a new operator to deliver a city-wide scheme including the introduction of e-bikes.
- Investment in the Local Transport Plan capital programme to deliver integrated transport projects and a maintenance programme of carriage and footway resurfacing works on the transport network.
- Continue investing in the city's electric vehicle charging network utilising government grant funding.
- Continue designing the Brighton Marina to River Adur coastal protection scheme in partnership with other Authorities and with significant investment from the Environment Agency.
- Investment in active travel and cycling and walking infrastructure through the delivery of the Local Cycling & Walking Infrastructure Plan.

- Investment in School Streets and Low Traffic Neighbourhood initiatives.
- Investment in the city's playgrounds, parks and open spaces including the completion of the Stanmer Park Master Plan restoration project.
- Investment in energy efficiency measures for the council's operational estate with further phases of the Solar PV and decarbonisation programmes on the council's corporate buildings .
- Continue modernising the city's street lighting infrastructure as part of the invest to save initiative.
- Investment in the Fleet Strategy to progress the city council's fleet towards carbon neutrality by 2030.
- Investment in the City's Tree collection to tackle the impacts of elm disease and ash dieback.
- £3m capital investment in the city's public toilets.
- Continue investment in City Environment infrastructure and operational sites to improve the working environment and impact on the services' carbon footprint.
- Investment in service delivery systems to improve service performance and customer experience.

## Supporting the Council's Priorities

The directorate's action plan and budget strategy can support the council's Corporate Plan and sustainability priorities as follows:

### A City to Call Home

- Deliver a programme of affordable house building, through the New Homes for Neighbourhood Programme, and the Homes for Brighton & Hove Joint Venture.
- Deliver the Sport and Physical Activity modernisation programme to progress the quality of sports facilities in the city over the next ten years, enabling greater participation.
- Oversee delivery of the City Plan, ensuring as many homes as possible to address the shortfall against our objectively assessed need for new homes.



### A City Working for All

- Work with City Region Partners in the Greater Brighton Economic Board to develop and implement the Covid 19 Economic Recovery Plan.
- Consider the jobs, skills and training implications of a move to a low carbon economy, and prepare to capitalise on opportunities.
- Promote the city nationally and internationally to accelerate the recovery of business, leisure and retail activity, supporting thousands of jobs. Use external funds at every opportunity.
- Develop new partnerships designed to increase the positive impact of the visitor economy in the city and to bid for new funds.
- Progress plans to improve the seafront as an asset for residents and visitors
- Improve the look and feel of the city through the development and implementation of Waste, Recycling and Reuse Strategy making it more attractive to residents, visitors and investors.
- Develop and deliver a playground investment programme.

### A Stronger City

- Lead the delivery of the recovery plan for the arts and cultural sectors to minimise the loss of creative people in the city. Ensure artists, organisations and audiences are informed and included in activities.

- Implementing City Plan Part 2 and commencing a review of Part 1 to put the city in a strong position from which to plan development that is high quality and sustainable.
- Implementing the Community Infrastructure Levy, to generate investment to deliver vital new city infrastructure.

**A Sustainable City**

- Leading the city's Carbon Neutral 2030 Programme, and preparing the Carbon Neutral 2030 Plan for agreement by Committee, informed by the Climate Assembly.
- Prepare and agree a Circular Economy Routemap for the City, focusing on moving key sectors of the economy away from a linear use and dispose model to one that maximises resource reuse.
- Endorsement of the a new City Downland Estate Plan with a future Vision for our 12,500 acres of City Downland, to make best use of our unique landscape, and contribute to the carbon neutral agenda creating emission reduction savings, promoting different uses including local food production and exploring a possible solar farm to create a self-sufficient renewable energy supply.
- Create savings through the reduction of co2 emissions in the council's operational estate deploying energy efficient technology and rolling out a programme of solar photovoltaics where suitable.
- Work in partnership with key stakeholders to develop a new Local Transport Plan and a Local Cycling and Walking Infrastructure Plan that supports sustainable travel, with investment in walking, cycling and smart traffic signalling to contribute towards the city becoming carbon neutral by 2030.
- Deliver the Local Transport Plan capital programme for investment in integrated transport projects and a maintenance programme of carriage and footway resurfacing works on the transport network.
- Deliver the Bus Service Improvement Programme to increase passenger numbers on public transport and help the city to become carbon neutral by 2030.
- Continue investing in the city's electric vehicle charging network utilising government grant funding.
- Continue designing the Brighton Marina to River Adur coastal protection scheme in partnership with other Authorities and with significant investment from the Environment Agency.
- Engage with strategic partners via Transport for the South East and Coast to Capital LEP to consider local and regional transport needs, developing and submitting bids for investment and jointly co-ordinating transport projects.
- Increase the range of materials that can be recycled in the city, improve the quality of kerbside and extend on street recycling
- Extend tree cover, creating more resilient woodlands in the city whilst tackling tree disease.
- Deliver the Fleet Strategy to decarbonise council fleet and improve service efficiency.

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| ***ECONOMY, ENVIRONMENT & CULTURE*** | | | |
| ***TRANSPORT*** | | | |
| Transport Projects & Engineering | Transport Projects & Engineering | | 0 |
| Transport Projects & Engineering | Street Lighting<br><br>NB gross expenditure is £2.16m | Apply savings that have been gained through the spend to save project (£300k) for reduction in management and maintenance.<br>Impact: Saving could have been earmarked by the service for Seafront Heritage Lighting Project, therefore the Council will need to identify future funding for this to complete delivery of seafront lighting restoration. See EIA 13. | 300 |
| Transport Projects & Engineering | Supported Buses<br><br>NB gross exp £1.537m | Reorganise routes to generate a saving.<br>Due to rising fuel costs and inflationary increases there is already a shortfall of £25k with a further pressure for 2023/24 due to be £791k - this can be mitigated by the Bus Services Improvement Plan (BSIP). A small saving of £53k has been gained by combining route 57 with the 47.<br>Risk: Proposal requires equality impact assessment - some areas of the city will have less access to public transport. To address this, the Medium term strategy will reflect BSIP funding profile and how the risk of a 'cliff edge' will be mitigated in the future. | 53 |
| Parking Services | Parking | See parking proposals below which must meet corporate inflationary increase requirements of **£935k** (3%) in the first instance before any additional income is generated to support the General Fund budget and transport-related budgets. Measures to address this are highlighted below alongside any budget saving generated. | 0 |
| Parking Services | Concessionary Bus Fares | Reduce Concessionary Travel payments by 5% a month to meet current patronage figures (around 75% and rising).<br>Risk: Fixed term deal can be renegotiated with the bus company by June 2023. This may have an associated effect on some Supported Bus routes so is linked to above. Saving over one year based on a predicted 80% patronage level would be £1,854k but this is not immediately achievable and would therefore be pro rata in the first 4 months. DfT have indicated that they expect local authorities to maintain funding support but there is no legislative mechanism to enforce this. However, any reductions to this | 950 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | area may therefore present a risk in terms of securing funding or successfully bidding for support to future initiatives. See EIA 14. | |
| Parking Services | Parking | Increase resident permits by £15 (Full and high demand parking schemes - £120k) and £10 (Light Touch schemes - £30k).<br>Risk: Demand loss may be higher than anticipated. See EIA 15. | 150 |
| Parking Services | Parking | Increase On Street paid parking by 10% on average citywide.<br>Risk: Demand loss being higher than anticipated, particularly if economic conditions do not continue to improve throughout 2023/24. See EIA 15. | 165 |
| Parking Services | Parking | Reduce the discount of low emission vehicles discount from 50% to the rate of 25% for all relevant permit types.<br>Risk: Demand loss could be higher than anticipated. See EIA 15. | 200 |
| Parking Services | Parking | Make all On Street and surface car parks 8am - 8pm to ensure consistency across zones. This would include removing the winter tariff on the seafront. This would effectively mean an additional one hour parking cost for users from 8am-9am in most cases. Current estimate is **£150k** taking into account demand loss and implementation costs. Note, the income generated contributes to meeting the corporate inflationary uplift of £935k (as noted above) and does not generate a budget saving. See EIA 15. | 0 |
| Parking Services | Parking | Remove all Pay & Display Machines from the City which amounts to 22% of all transactions (Card 20% and cash under 2%). This would eliminate the large budget pressure for converting all machines to 4G by early 2023 and would lead to savings on cash collection, maintenance and other costs. This would allow potential variable emission charging to be focussed on the Paybyphone app.<br>Risk: May be impacts around digital exclusion as cash/ card facility would not be available so all payments would be through paybyphone app, however, this accounts for around 78% of payments at the moment and is growing quickly. A campaign of encouraging people to register for the app ahead of parking in Brighton & Hove will therefore be needed. Also need to consider associated signage costs which link to other parking proposals. Expected to produce net cost reductions be of **£220k.** Note, this cost reduction contributes to meeting the corporate inflationary uplift | 0 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| Section | Service Area | Brief Summary of Budget Proposal/Strategy and Risks | Savings Proposals 2023/24 |
| | | | £'000 |
| | | of £935k (as noted above) and does not generate a budget saving. See EIA 15. | |
| Parking Services | Parking | Increase Off Street parking fees (Barrier (£255k) and surface car parks £40k) by 10%. This would bring in £295k with **£250k** contributing to inflationary increase requirements of £935k (see note above) and £45k contributing to budget savings.<br>Risk: Potential for higher demand loss than anticipated. See EIA 15. | 45 |
| Parking Services | Parking | Income from new parking schemes being introduced in 2022/23 including Hollingbury area, Hallyburton Road area and the Withdean area. Current estimate is **£115k** taking into account implementation costs on capital borrowing per year and the costs for more enforcement officers for these new schemes. Note, the net income generated contributes to meeting the corporate inflationary uplift of £935k (as noted above) and does not generate a budget saving. See EIA 15. | 0 |
| Parking Services | Parking | The Transport Control Centre business case includes a pressure of £0.700m from ULEZ enforcement (from 24/25), £0.100m from Traffic Moving Powers enforcement (from 23/24) and £0.200m from Red Route enforcement (from 23/24). There is a need to establish potential income from these sources above and beyond that already accounted for before a forecast of any potential additional income opportunities can be made as well as ensuring projects are meeting timelines. Traffic Moving Powers are likely to break even in the short term as some cameras will be implemented at loss e.g. School Streets. | 0 |
| Parking Services | Parking | Change zones N (Central Hove), J (Goldsmid), C (Queens Park) and H (RSCH area) from low to Medium / High Tariffs - currently this is just Central Brighton & Brunswick & Adelaide areas - main risks are higher than estimated demand loss which needs to be factored in, particularly as this on-street income is currently under-achieving. It is estimated this would be in the region of **£200k** but this element will be required to contribute to meeting the corporate inflationary uplift of £935k (as noted above). The further proposal is to change all zones to high tariff including zone M and parts of Central Brighton which is estimated to generate a further £200k net of demand loss**.** This would include incorporating Kings Road seafront section into relevant zone (Z or M). | 200 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | Risk: Potential for demand loss to be higher than estimated and may impact visitor or resident patterns of use. See EIA 15. | |
| Parking Services | Parking | Increase parking bay suspension fees by 20%. See EIA 15. | 180 |
| Parking Services | Parking | Parking Dispensations is a type of Permit allowing for short parking durations of up to 2 hrs across the entire city, within existing resident bays and pay and display bays. The original purpose of these Dispensations was to allow council staff as well as external Council Contractors or Public Utilities that need to work on the Public Highway or for legitimate Council business. These permit arrangements have been in place for a very long time and have grown in numbers significantly, likely around 1200 now. The proposal is to make these more expensive to discourage applications and support recovery of on-street and off-street parking. The existing fee is £50 and the proposal to increase by 100% to £100 is estimated to deliver a further £26,000.<br>Risk: Relatively low risk. Council staff dispensations are funded by the council. See EIA 15. | 26 |
| Parking Services | Parking | A programme of converting light touch schemes into full schemes and combining zones over 4 years.<br>Risk: Possible resident concerns about increasing hours and complaints about currently underutilised zones becoming more full. A net saving as this will require additional resources to deliver. See EIA 15. | 300 |
| Head of City Transport | | | 0 |
| Traffic Management | | | 0 |
| Traffic Management | Tables & Chairs Central | Fees & Charges additional savings - Applying 10% increase to Scaffold, Skips Licence Fees and building materials to maintain income in proportion to costs. Demand is reasonably inelastic. | 14 |
| Traffic Management | Winter Maintenance | Reviewing the Winter Service to increase efficiency and reduce costs, including Agency costs and impacts on wider Council operations. A review is planned to commence in early 2023 and will involve consultation with staff and service users. See EIA 16. | 30 |
| Transport Policy and Strategy | | | 0 |
| **Transport Total** | | | **2,613** |
| ***CITY ENVIRONMENTAL MANAGEMENT*** | | | |

| Service Area | | Savings Detail | |
|---|---|---|---|
| Section | Service Area | Brief Summary of Budget Proposal/Strategy and Risks | Savings Proposals 2023/24 |
| | | | £'000 |
| Head of City Environmental Management | Head of City Environmental Management | | 0 |
| City Clean | Public Toilets Options | No saving proposed but business support will be provided to address future sustainability and resilience of public toilet provision. | 0 |
| City Clean | Collections | No saving proposed as the service is under pressure due to temporary staff shortages which are increasing agency costs. | 0 |
| City Clean | Collections | Efficiencies can be achieved in future years from continuing to improve technology and management of the service which will reduce agency costs due to improved round management for covering for vacancies, sickness and other absence. This is linked to Modernisation Fund investment outlined in the budget report. | 0 |
| City Clean | Streets | No saving opportunity identified. | 0 |
| City Clean | Bulky Waste | No saving opportunity identified. | 0 |
| City Clean | Garden Waste | | 125 |
| City Clean | Trade Waste | Market and extend Garden Waste Collection Service and increase fees from £70 per anum to £85 per anum. There is a risk that this becomes a mandatory service under the Environment Act but this is not confirmed yet and if so will be likely to attract government funding under the 'new burdens' doctrine. See EIA 17. | 0 |
| City Clean | CityClean Management | Service has been significantly delayered - no further opportunities for savings at present. | 0 |
| City Clean | CityClean Enforcement Contracts | Income generating service that recovers costs and has to be ringfenced for environmental improvement projects. | 0 |
| City Clean | CityClean Bin & Box Service | No saving opportunity identified. | 0 |
| City Parks | City Parks | | 0 |
| City Parks | Parking | Remove the ring fence from Preston Park parking scheme, increase parking charges at all park sites to align with on street parking fees and introducing charges at new sites.<br>Risk: No risk but requires change of policy. See EIA 18. | 100 |
| City Parks | Sports | No saving opportunity identified. | 0 |
| City Parks | Parks Buildings | A review of all Parks Buildings will be undertaken to identify those suitable for commercial activity. This will require an identified Project Manager (bid made for Modernisation Funding) and may require future capital investment. No saving is possible in 2023/24. | 0 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| City Parks | Allotments | Introduce a £25 annual admin fee per plot to achieve full cost recovery (i.e. remove subsidy) and reduce void turn around times. See EIA 19. | 45 |
| City Parks | Arboriculture | No saving opportunity identified. | 0 |
| City Parks | Operations | No saving opportunity identified. | 0 |
| Fleet | Workshop | Income from commercial activity - i.e.: servicing council leased vehicles.<br>Risk: Requires some service changes and consultation with staff and unions to generate sufficient space in the yard and workshop. | 40 |
| CEM Strategy and Service Improvement | Projects | Fund Environmental Services Improvement Co-ordinator post from income from environmental enforcement - this is possible under the Environment Act requirements. | 35 |
| CEM Strategy and Service Improvement | Projects | Fund one Project Officer from income from Environmental Enforcement - there is sufficient work in the team to align with Environment Act requirements that mean this can be for environmental improvement projects only.<br>Risk: That insufficient income from fines is raised. | 42 |
| CEM Strategy and Service Improvement | Strategy | Delete vacant Environmental Service Advisor post.<br>Risk: Should be low risk as the service has had to manage this activity for a long period and will be able to embed this work across the wider team. | 31 |
| Waste PFI | Waste PFI (saving will be shown in Waste PFI and not revenue budgets) | Introduce charging at the Hove Waste & Recycling Service for certain materials - a consultation was completed which was not in favour but there is sound rationale and the council's financial challenges are severe.<br>Risk: The government may ultimately consider legislating against this but no indications regarding this to date. See EIA 20. | 80 |
| Waste PFI | Waste PFI (saving will be shown in Waste PFI and not revenue budgets) | A future objective should be to reduce household waste through circular economy and increasing recycling initiatives - very difficult to calculate potential savings due to a variety of external factors such as global recycling markets; success of behaviour change; inflation etc. No saving quantifiable in 2023/24. | 0 |
| **City Environmental Management Total** | | | **498** |
| ***CITY DEVELOPMENT & REGENERATION*** | | | |
| City Development & Regeneration | AD City Planning | | 0 |
| City Development & Regeneration | Head of City Regen | | 0 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Planning | Planning | Delete a vacant Assistant/Planning Officer post - risk is loss of capacity to carry out Development Management work. | 40 |
| Planning | Building Control | No immediate saving opportunity identified. | 0 |
| Planning | Business Development & Customer Services | Review Support Team resources, including deleting a vacant post. | 28 |
| Planning | | Income and savings from moving Street Naming and Numbering into the Planning Team and introducing charging in line with most other local authorities. | 15 |
| Planning | Planning Policy Major Projects | No immediate saving opportunity identified. | 0 |
| Major Projects | Major Projects | Increase target for capitalisation of project support at year end<br>Risk: Can create an in-year budget pressure if there are not projects to capitalise against. | 30 |
| International & Sustainability | International & Sustainability | Rationalise existing funding and restructure International & Sustainability and Economic Development teams to focus on core corporate priorities. This will reduce capacity to deliver corporate targets including delivering against the Carbon Neutral 2030 plan and Community Wealth Building. This saving is across both the International & Sustainability and Economic Development teams (so a total £300k saving across both) and would impact the work of both teams. The restructure would refocus all posts and budgets in the teams on corporate priorities, but the budget reduction would diminish ability to deliver some priorities in both areas.<br>Risk: Subject to the development of restructure proposals and the outcome of staff consultation - savings would be achieved through vacancy control wherever possible and deletion of the vacant Head of Economic Development post (net of retention of a small advisory budget), although the equivalent of a nominal 3 FTE post would need to be removed. | 300 |
| International & Sustainability | International and Sustainability Team | End membership of Eurocities.<br>Risk: Reduced status and visibility on a global level. Need to check on unexpected impacts (activities the council has signed up to and cannot now do), less access to learning and funding opportunities. | 15 |
| Economic Development | Economic Development | Covered in International & Sustainability saving proposal above including deletion of vacant Head of Economic Development. | 0 |
| EEC | Director - EEC | | 0 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| **City Development & Regeneration Total** | | | **428** |
| ***CULTURE, TOURISM & SPORT*** | | | |
| Venues | Brighton Centre | Introduce a £1.50 Facility Fee on all ticket sales at the Brighton Centre. The Brighton Centre sells in the region of 80,000 tickets p.a. Ticketmaster would take an inside commission of approximately 12.5% on each pound and PRS at 4.2% would be payable to the Performing Rights Society and VAT. Approximately £75,000 additional income could be achievable based on 80,000 tickets sold after VAT, PRS and Ticketmaster commission.<br>Impact: could affect demand for events. See EIA 21. | 75 |
| Venues | Brighton Centre | Reduction in subvention to the Brighton Centre.<br>Impacts on the bottom-line of the Brighton Centre, meaning the shortfall will have to be made up through additional commercial activity or savings on expenditure budgets.<br>Risk: Potential reduction in service quality and damage to relationship with city partners and businesses. See EIA 21. | 100 |
| Heritage & Archives | RPMT & The Keep | No saving opportunity identified. Contractual commitment. | 0 |
| Tourism & Marketing | VisitBrighton | Stop the work of Visitor Services.<br>•Loss of 14 official Visitor Information Points (VIPs) across the city.<br>•Loss of direct contact with visitor enquiries.<br>•Loss of the VisitBrighton volunteer Greeter Scheme.<br>•Loss of the VisitBrighton City Champions Programme.<br>•1 FTE post deleted.<br>See EIA 22. | 32 |
| Tourism & Marketing | VisitBrighton | Fees & Charges additional savings - Applying 10% increase to all Visit Brighton Fees. | 11 |
| Arts | Brighton Dome & Festival contract sum plus arts | No immediate saving opportunity identified. | 0 |
| Arts | Museums Service | | 0 |
| Sports & Leisure | Leisure Facilities Management | No immediate saving opportunity identified due to high inflationary impacts. | 0 |
| Sport & Leisure | Seafront (inc. Bandstand, Seafront & Misc Resort Properties) | Reduce lifeguard stations from 7 + 3 (in the summer holidays) to 4 + 3 - a 30% reduction in operation.<br>Impact: Potential increased risk to public safety but busiest areas will still | 100 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | be prioritised and covered. May be some negative reputational impact and potential increased demands on the lifeguard team caused by reduced staffing. However, the proposal is in common with most seaside resorts who only cover their main destination areas. | |
| Sport & Leisure | Seafront Services | Seafront rent review.<br>Impact: Cumulative pressure on businesses alongside other rising costs. See EIA 23. | 50 |
| Sport and Leisure | Seafront services | Charge 10% fee on sale of a beach hut.<br>Impact: Likely to be unpopular with beach hut owners who currently pay nominal fees. | 0 |
| Sport & Leisure | Seafront Services | Invest to save by 2025/26 - install more beach chalets for rent = 30 chalets at £2,000 per annum (Saltdean) and 12 at (Madeira Drive). No saving deliverable in 2023/24. | 0 |
| Sport & Leisure | Seafront Services | Fees & Charges additional savings - Applying 10% increase to all Beach Hut licence fees to reflect inflationary impacts on council costs. | 10 |
| Sport & Leisure | Seafront Services | Fees & Charges additional savings - Applying 10% increase to all Beach Chalets to reflect inflationary impacts on council costs. | 6 |
| Sport & Leisure | Seafront Services | Fees & Charges additional savings - Applying 10% and new charges to Bandstand Hire Fees. | 3 |
| Sport & Leisure | Volks Railway | Reduce running costs and maximise income opportunities. Options for the future operating model will be considered following the Budget Council decision. | 58 |
| Sport & Leisure | Volks Railway | Fees & Charges additional savings - applying 10% increase to ticket sales to reflect inflationary impacts on council costs. | 18 |
| Sport & Leisure | Outdoor Events | Make better use of small activation spaces. Proposal is to put together a programme to promote opportunities and generate more income. | 60 |
| Sport & Leisure | Outdoor Events | Introduce £1.50 facility fee on outdoor events to cover inflationary impacts on council costs. See EIA 24. | 25 |
| Sport & Leisure | Outdoor Events | Fees & Charges additional savings - Applying 6.5% average increase to all Outdoor Events Fees to reflect inflationary impacts on council costs. | 15 |
| **Culture, Tourism & Sport Total** | | | **563** |
| ***PROPERTY*** | | | |
| Property | Estates | Increased income for Lyndean House. Tenancy agreed (though break clauses on other tenancies and new lease includes capped service | 60 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | charge).<br>RISK: Letting does not successfully complete. | |
| Property | Estates | Increase in rent from commercial portfolio through letting of vacant units at NEH, HTC, Phoenix, Cranbourne St.<br>RISK: Lettings lower than anticipated. | 50 |
| Property | Estates | Vacate Business Continuity suite NEH.<br>RISK: Service unable to relocate, unit not relet. | 40 |
| Property | Estates | Vacate 3rd & 4th floors of Barts House (part-year effect in 2023/24, remaining part year effect in 2024/25). Potentially add Floor 2 in 2025/26 and Floor 1 in 2026/27. Appoint property specialist to relet vacated floors with combined rent, service charge, running cost and business rate savings net of a 6 months rent free period.<br>RISK: Market led and therefore depends on market response out of our control. Negotiations may take longer then expected or a longer rent free period may be required, and/or more investment required to enable separation of letting. | 175 |
| Property | Facilities Management & Building Services | Invest to save - digitise Property Helpdesk function with a new Computer Aided Facilities Management system to align with the finance system. Corporate Landlord Audit recommendation. Savings are expected through business process improvements, and staff will be consulted as necessary.<br>RISK: Increased costs due to market increases in software. System does not align with our current ICT platforms and finance system. | 30 |
| Property | Facilities Management & Building Services | Reduce main council office opening hours to 7.30am to 6:00pm allowing a reduction in security hours.<br>Offices will be opened for evening meetings, e.g. Committees, by arrangement as normal. | 23 |
| Property | Building Surveying Maintenance & Utilities Management Energy & Water | Phase 2,3,& 4 solar Installation of solar PVs on poor performing operational portfolio.<br>RISK: Delays in installation due to supply issues, increase in material costs. Volatility of energy market and increases in future energy costs could reduce proposed saving | 28 |
| Property | Building Surveying Maintenance & Utilities Management Energy & Water | Energy Audits. Carbon Neutral funded operational buildings pipeline of projects to be identified as spend to save projects.<br>RISK: Supply of materials and increased construction costs. Quickest | 20 |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | achievable payback is expected to be 3-5 years so impact minimal until 2026/27. Volatility of energy market and increases in future energy costs could reduce proposed saving. | |
| Property | Building Surveying Maintenance & Utilities Management Energy & Water | Solar Farm project. Feasibility being undertaken in 2022/23 will determine the risks of carrying forward with the project; the highest risk being South Downs NPA support and planning permission. If the project is feasible it will be a spend to save, requiring funding for the construction costs of £5m+. Annual operational costs estimated at circa £115k. Added maintenance in year 10 approx £320k. Income estimated to be circa £600k pa. Payback to be approx 11 years. No saving identifiable for 2023/24. | 0 |
| Property | Building Surveying Maintenance & Utilities Management Energy & Water | Reduce heating in main corporate office buildings by 2 degrees. Accompanied by a clear staff communications plan, including emphasis on carbon reduction gains. This will still maintain buildings well within a legal and comfortable temperature range. | 47 |
| Property | Property - other budgets | No savings opportunities identified - mainly contractual commitments. | 0 |
| **Property Total** | | | **473** |
| **Economy, Environment & Culture Total** | | | **4,575** |

# Housing, Neighbourhoods & Communities Directorate

**Services and Responsibilities**

The HNC Directorate includes the following services:

- Housing Management (Council housing management, repairs and investment, Travellers )
- Housing Needs & Supply (New homes Private Sector Housing, Temporary Accommodation and Homelessness)
- Libraries and information services
- Safer Communities (Environmental Health, Licensing, Trading Standards, Emergency Planning, Prevent, ASB and Casework team and Domestic Violence services)
- Communities, Equalities & Third Sector

The directorate focuses on the issues affecting housing, neighbourhoods and communities, 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 community and public service partners. In addition to the General Fund activities, much of the housing- related tenancy functions are funded by the ring-fenced Housing Revenue Account.

The directorate has responsibility for:

- Delivering landlord services to council housing residents and improving the quality, sustainability and safety of council homes;
- Increasing housing supply, supporting provision of 800 additional council homes and development of 700 other new affordable homes;
- Improving the quality of private rented homes and delivering housing adaptations to help people live independently;
- Providing advice and support to reduce homelessness, and providing temporary & supported accommodation;
- Delivering statutory library services across the city and developing libraries as neighbourhood hubs;
- Supporting the third sector in the city to work with communities
- Leading the council's 'Prevent' agenda; Leading on the Council's approach to anti-social behaviour and tackling domestic abuse;
- Leading the equalities and inclusion agenda for the council ensuring fair and equitable services, leadership and employment;
- 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 support communities of identify and place

**Service Context**

**Housing**

Housing affordability is a major issue in the city, with Brighton & Hove becoming increasingly unaffordable for a significant proportion of the population, in particular those at risk of, or experiencing homelessness.

There are currently more than 17,900 social rented properties in the city. The council's social landlord duties cover approximately 11,700 rented properties and 2,900 leasehold properties and therefore the council remains the largest social landlord.

- Housing sees approximately 4,000 homeless households each year who need help with housing. Early intervention and prevention work is reducing levels of homelessness however demand for assistance for homeless households remains high in the current year;
- Numbers of households in temporary accommodation is high but reducing slowly
- Currently license 3,710 Houses in Multiple Occupation (HMOs) across the city;
- The Private Sector Housing team received 2239 Requests for Assistance during the first half of 2022/23;
- A total of 497 homes are projected for completion between April 2019 and March 2023, including 343 already completed. Specialist housing provision includes a commitment to treble Housing First units for homeless people with complex needs
- We continue to work toward our target of bringing over 160 empty private sector homes back into use each year;
- Annual HRA rents and service charges of £63.9m per year; capital programme of around £29.8m a year improving homes; let approx. 600 homes (over 50 per month), proposed investment pipeline of £270m investment in new homes over the next three years to 2025/26 the majority of which requires committee approval; average of over 2,000 repairs per month / 66 repairs every calendar day in normal circumstances

**Libraries & Information Services**



The Public Libraries and Museums Act 1964 requires Local Authorities to deliver a public library service which is a 'comprehensive and efficient' service for all persons in the area who want to make use of it, to promote this service, and to lend books and other written materials free of charge.

There are 5 essential requirements for a successful library service in Brighton & Hove – attractive, welcoming spaces; support from trained and dedicated professional staff and volunteers; quality book stock; accessible IT; and a programme of activities and events for existing and new customers.

- Network of 14 libraries across the city
- 93% of users tell us our library services are excellent or good
- On target for nearly 1 million visits to libraries 2022-23. Last year achieved 680,072 visits. Pre Covid achieved 1.4 million visits.
- On target for over 1 million items loaned 2022-23. Last year lent 952,963 items, close to pre-Covid levels.
- On target for 1.3 million visits to library web pages 2022-23
- 73% of all library transactions last year were online (i.e., joining, reservations and renewals)
- Volunteers contributed 3,125 volunteer hours in 2021-22, and an increase to over 5,000 hours is expected 2022-23.
- An expected 21,000 people will take part in libraries events or outreach activities in 2022-23
- BIPC (Business and Intellectual Property Centre) Sussex has worked to deliver advice and information to businesses: it supported 1,083 businesses in 2021/2022 (exceeding the target of 500).

**Safer Communities**

Safer communities provides a broad range of services including environmental health and protection, licensing and trading standards, food safety services and emergency planning as well as services to directly support the community safety plan such as violence against women and girls services, anti-social behaviour casework, and the government's Prevent and Channel programmes.

- Over 85% of the 3,200 food businesses in the city rated 3 or above on the national Food Hygiene Rating Scheme;
- Community Safety Casework Team, Anti-Social Behaviour and hate incidents –533 initial reports and enquiries dealt with between January and October 2022;
- 80% of people affected by domestic violence and abuse felt safe upon leaving refuge
- 1,400 premises licensed venues and 278 gambling premises licensed in the city. 1200 licensed taxi drivers. 580 Hackney Carriage and 370 private hire vehicles licensed;
- 2323 noise complaints including both domestic and commercial requiring investigation between January and October 2022.
- Obtained £51,000 worth of refunds and compensation for vulnerable consumers between April and September 2022

**Communities, Equalities & Third Sector (CETS)**

This team provides services including community engagement and collaboration, that strengthens communities, leads on the council's equality duties and provides support to achieve a more sustainable, efficient and effective community and voluntary sector to deliver council priorities.

- Supporting activities that bring people and communities together to promote mutual understanding
- Working alongside communities on what matters to them and to increase resident involvement in housing services
- Increasing participation by using neighbourhood action plans and ward budgets as building blocks for engagement
- Continuing to invest in a strong and independent voluntary and community sector through awards of three-year grant through the Third Sector Commission and the Communities Fund
- Supporting community activities and festivals focussed on sports, arts and science, bringing people together for the benefit of their neighbourhood and the city through grant awards to CVS groups
- Taking a leading role in increasing equality and inclusion in the council and across the city
- Developing strategies to improve equalities outcomes across the Council's services
- Improve access to all parts of our city and our services for people with physical, sensory and learning disabilities; supporting disabled people into work, tackle discrimination and disability hate crime, and improve access to learning and leisure activities.
- Being a proud City of Sanctuary and continuing to play our part in the international refugee crisis



**Budget Strategy**

The key areas of action for the **Housing** service as outlined in the Corporate Plan (2020/23), a City to call home, are:

- Reduce homelessness & rough sleeping
- Provide genuinely affordable homes & increase housing supply
- Improve private rented housing

- Improve quality & safety of council housing
- Make better use of existing housing capacity

The Council's Housing Revenue Account (HRA) comprises rental and service charge income from our tenants and leaseholders and funds our landlord services. This includes both capital investment in improving the housing stock and providing much-needed new affordable housing. The HRA Capital Investment Programme for 2022/23 – 2024/25 includes proposals to invest £16.057m specifically for sustainability and carbon reduction measures. New health & safety requirements are expected to become increasingly significant.

The Housing General Fund budget is under pressure because of the level of homelessness demand and the rising costs of rented properties in the City impacting both on the availability of affordable homes and the length of time households stay in TA. There is also a need to improve the quality of housing in the private sector and in particular sustainability and work to support carbon reduction. Budget priorities align with the projects and requirements of the agreed Housing Committee Work Plan.

For **Libraries** the implementation of the Libraries Strategy 2022-25, in particular the immediate priorities of increasing library usage, increasing income, and developing skills and confidence of staff and volunteers.

Libraries have already extensively modernised, reducing costs significantly while increasing accessibility for the public particularly though developing Libraries Extra unstaffed access. A large proportion of the budget is linked to the grant funded PFI scheme which benefits from significant PFI grant funding and where savings have already been achieved. The service will continue to look at how costs can be kept down without adversely affecting services through use of new technologies. Income sources associated with use of additional library building services have been impacted by the required closure of public-facing services through the pandemic.

The Jubilee Library PFI contract supports library revenue budgets because it attracts a government grant of £1.505M which effectively funds services across the city. A comprehensive external review of this was carried out in 2018 to ensure that it continued to deliver value for money. Jubilee Library, which is the fourth most visited public library in the country (CIPFA data 2019/20) also attracts a large amount of income which further supports library services across the city.

The bulk of the budget in **Safer Communities** is linked to statutory functions to provide a wide range of Environmental health and regulatory services. A new Community Safety Strategy was approved in September 2020 with a focus on early action to prevent crime and disorder, issues that have the biggest impact on people, reducing fear crime and meeting victims' needs. The service has been under severe pressure prioritising COVID enforcement work in 2020/21 and 2021/22 and has had to adapt to new demands and develop different approaches to keeping the city safe. There is now a backlog of key tasks so the strategy will be focussed around more efficient and effective working whilst both catching up on the work delayed and continuing to provide the full range of both statutory and non-statutory functions as required by the Council.

**CETS** are focussed on the impact of Covid-19 on the community and voluntary sector with a rise in demand on services both in terms of number of and the increasing complexity of need of their beneficiaries, combined with challenging fundraising and income generation climate. Inequality issues have been exacerbated during the last year and there are a range of specific and complex impacts for communities . There is a need to respond by making more progress in bridging equality gaps with a particular focus on the concerns of Black and Racially Minoritised residents and making the city a more accessible place.

**Areas of focus for savings**

**Housing :** Given the on-going pressures in homelessness services the focus is on improving homeless prevention and throughput to reduce overall numbers and the length of stay for households in temporary accommodation (TA) and in particular in emergency accommodation. The savings proposals aim to reduce the use of block booked emergency accommodation.

The review of our TA services including a review of income collection, voids turnaround, procurement, management of lettings etc, as well as work to increase the number of Council-owned TA units, is now part of a wider end to end Homelessness Transformation Programme encompassing review of the wider service to develop better systems, processes, policies and structures to improve efficiency and services to users. We will progress a review of the arrangements with Seaside Homes to develop more cost effective ways of providing temporary housing.

The planned review of Allocations Policy also provides the opportunity to consider options that would reduce the use of TA. More immediately we will review how the Council can better support rough sleepers reflecting the aims of the Homelessness and Rough Sleeping strategy, learning from the COVID-19 emergency housing programme and consequent budget pressures.

**Council Housing – HRA:** The HRA budget aims to balance the priorities of the council and its tenants and leaseholders and reflects a range of council policies and programmes on customer service, repairs and planned maintenance, capital investment in housing and engagement.

**Libraries:** The immediate focus for savings is on efficiencies that will not adversely impact the services available across the extensive network of libraries in the city. Developing the Libraries Strategy has provided a framework for future funding decisions, for instance where a library is not well used by the local community, consideration will be given to whether moving services to a nearby library or moving the library to a more accessible location for the public might better meet the needs of that community.

**Safer Communities:** Non-statutory services can provide savings but are closely linked to key Council priorities particularly in delivering the Community Safety Partnership strategy. A review of some of the non-statutory regulatory functions has identified some potential savings. There are some limited opportunities for efficiency savings and improvement to some income streams not limited by regulation or linked to economic recovery that will be reviewed.



**Communities, Equalities & Third Sector:** The majority of budgets in the service are associated with support to and commissioning of the third sector in the city and the wide range of services they provide. However, this is discretionary spend and therefore savings in these budgets could be achieved. There are limited opportunities for efficiency savings.

**Investment in services**

Investment in **Housing** needs services will be needed to improve homelessness prevention, manage the TA service, identify move on accommodation and speed up moves within the housing stock to improve the customer journey and save money through more efficient use of the TA and permanent housing stock. Some of the changes required are being identified through the Homelessness Transformation Programme where investment has already started to have a significant impact on overall expenditure.

The Housing service requires resources to develop a new housing strategy (now 2 years overdue) and develop associated strategies, plans and policies to ensure services are integrated and corporate goals are achieved. A current housing strategy is a government expectation and prerequisite for new policy initiatives such as PRS licensing schemes.

A strategy to improve, integrate and rationalise IT systems across housing is vital to meet services challenges including delivery of better repairs and maintenance services, transformed homelessness services and an efficient housing allocations service. This is being developed following an external review and will require investment over the next few years.

It will be important to align capital investment in new accommodation for TA use with a strategic approach to the TA placements and management functions and in the longer term, the strategic approach to providing new permanent homes. Investment to increase the TA stock directly managed or accessed by the Council has the potential to provide cost savings, through reducing emergency accommodation costs.

HRA investment requirements are covered in budget strategy section above.

Investment in IT to automate systems for licensing may provide opportunities for future savings in **Safer Communities** services. Additional investment to coordinate work to deal with unauthorised encampments across the city would reduce costs and delays in dealing with this problem. An initial pilot has proved worthwhile and should be continued and expanded.

Investment in the Emergency planning may be required as with fewer than 2 FTE there are increasing demands, for instance with both summer and winter preparedness planning, more severe weather crises, a growing number of threatened health emergencies (Covid 19, Monkey pox, avian flu) increased business continuity planning requirements and wider resilience activities.

Investing in **Library** community spaces would both enhance the community hub role of the city's extensive library network and increase rental income generation potential. Options for investing in CETS include:

- Step change improvement in the capture and application of equality data, embedding a high quality process as standard practice across key council services to help services 'get it right first time'
- improve the co-ordination of refugee, migrant and asylum seeker work across the council to deliver better outcomes for the people and reduce wasted time and effort by services
- Pilot a corporate engagement team to design and deliver high quality engagement for council services to remove burden on frontline services and improve council's reputation



**Supporting the Council's Priorities**

**A City to call home**

- Reduce homelessness and rough sleeping.
- Develop strategies and business cases to provide genuinely affordable homes.
- Improve private rented housing quality and sustainability.
- Improve council housing quality and sustainability.
- Make better use of existing housing capacity.

**A City Working for All**

- Build community wealth

Tackle crime and antisocial behaviour:

- Increase participation in civic and community life through neighbourhood engagement and participatory strategies.
- Develop strategies to address the causes of poverty and its impact on our communities.
- Improve access for disabled people to services and the housing estate.

**A Growing and learning city**

- Promote lifelong learning and transition into adulthood through support to relevant CVS programmes.

**A Sustainable City**

- Use capital and revenue investment to support the objective of being a carbon neutral city by 2030 through improving energy efficiency and sustainability of Council Housing, housing developments and private sector housing.

**A Heathy and Caring City**

- Promote a City Equalities Standard together with our partners to promote fair employment practice to tackle the under representation of people from BME communities and disabled people.
- Taking a leading role in increasing equality and inclusion in the council and across the city' and 'challenge inequality in the city and within the council'.
- Supporting the international refugee crisis through driving delivery of the recommendations of the international migrant needs assessment, participation in the global refugee programme and continuing to be an asylum seeker dispersal area.
- Support people to live independently through Emergency and Temporary Housing provision and programmes such as Housing First and other move on support.

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| ***HOUSING, NEIGHBOURHOODS & COMMUNITIES*** | | | |
| ***HOUSING GENERAL FUND*** | | | |
| Housing Services | Executive Director HNC and Business Support | No saving opportunity identified. | |
| Housing Services | Homelessness - Housing Options and Homemove - supporting vulnerable households | No proposed savings - statutory requirement and budget under pressure due to demand. | |
| Housing Strategy & Development | Housing Strategy & Development - enabling & delivering increased housing supply & quality. | No saving opportunity identified. | |
| 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. | Reduce budget as a result of efficiencies made by bringing the Home Improvement Agency work in-house. See EIA 25. | **70** |
| Private Sector Housing (PSH) | | Minor income/fines opportunities identified. | **20** |
| Temporary Accommodation & Allocations | Temporary Accommodation (TA) | Full Year Effect (FYE) of the reductions made in 2022/23, including reduced block-booked Emergency Accommodation (EA) units by 45. Assumes reprovision through spot purchase in 2023/24 with block-booked provision reducing to 344 by 31/12/22. Achieved through accomplishing quicker 'move-on' to alternative accommodation and 'reconnection'.<br>Risk: Economic environment is key and if current situation persists throughout 2023/24 along with increased private sector rents driven by interest rates and inflation, this may impact on progress. See EIA 26. | **725** |
| Temporary Accommodation & Allocations | Temporary Accommodation (TA) | Reduce EA need by 125 blocked-booked properties by 31/10/23. Would leave 244 block-booked units. Reprovision through spot purchasing if required. As for EA, achieved through accomplishing quicker 'move-on' to alternative accommodation and 'reconnection'.<br>Risk: Economic environment is key and if current situation persists throughout 2023/24 along with increased private sector rents driven by interest rates and inflation, this may impact on progress. See EIA 26. | **593** |
| Temporary Accommodation & Allocations | Temporary Accommodation (TA) | Improvement to Void turnaround times. Reduces rent loss and council tax costs.<br>Risk: Void turnaround has been steadily improving and this should continue. See EIA 26. | **70** |
| Temporary Accommodation & Allocations | Temporary Accommodation (TA) | Improved Income collection. Currently, high level of historic write-off and non-recovery due partly to the pandemic and level of additional provision. | **90** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | Risk: Economic conditions are a factor but a redefined approach to collection should sustain improvement. See EIA 26. | |
| Rough Sleepers and Housing related Support | Commissioned Services | No saving opportunity identified. High demand service area. | |
| Travellers | Travellers | No saving opportunity identified. | |
| **Housing General Fund Total** | | | **1,568** |
| ***LIBRARIES*** | | | |
| Libraries | Library PFI | Library Services have delivered £0.334m savings through the PFI and a financial review of the PFI has also recently taken place corporately led externally by CIPFA. Due to inflationary pressures affecting the Affordability Modelling, no further savings are currently possible. | |
| Libraries | Library PFI -Government Grant | 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 PFI expenditure is £0.971m. It is worth noting that the revenue payments include an element to cover the capital costs of constructing the building. The grant also subsidises library revenue budgets by £0.700m. Therefore no savings can be made from this budget. | |
| Libraries | Staffing and operational costs | Close Mile Oak Library. Current visitor numbers are low at 150 per month compared to 3,500 per month five years ago and 1,000 per month just before the pandemic. Other community libraries are currently at 60% pre-Covid levels whereas Mile Oak is at 15%. This library is the most expensive to run, currently working out at a cost of £19.02 per visit compared to 78p average per visit cost at other community libraries. Portslade and Hangleton Libraries are reasonably nearby to provide library services to residents.<br>Risk: An achievable saving subject to the outcome of normal consultation processes. See EIA 27. | **35** |
| Libraries | Staffing and operational costs | Reduce staffed opening hours in all community libraries to a maximum of two days a week, running them as Libraries Extra for the other days where this is possible. The staffed days would vary across the city to ensure that there is a library open with staff within a reasonable travelling distance on every day of the week except Sundays. Reduce opening hours across all community libraries to reduce operating costs while keeping all libraries open (except Mile Oak). The proposal would include:<br><br>Close community libraries at 6pm instead of 7pm on Libraries Extra days, keeping 7pm closing at Jubilee and Hove libraries;<br>Altering the start of the working day for all front-line staff from 8:30 to 9:00 at all libraries including Jubilee and run community libraries on Libraries Extra unstaffed access for the first half-hour of opening from 9:00 to 9:30am; and<br>Closing all libraries except Jubilee on Sundays. | **76** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | Delivery Risk : Implementation will be subject to the outcome of consultation with staff and Unions and will require implementation planning meaning that a part-year saving will be achievable in 2023/24, requiring one-off resources of £31k. There are some vacancies and all would be held to mitigate against potential redundancies from 1st September 2024. Any changes to the Jubilee Library PFI contract would need negotiating for which there could be potential cost implications. See EIA 27. | |
| Libraries | Staffing and operational costs | In addition to the above, and as part of the same front-line restructure, reduce opening hours at Hove Library to 5 days per week, closing on Saturdays. Saturdays are the quietest day for footfall at Hove Library and the café is now closed as there were insufficient takings; it is also the day with the least room hires and with no impact on the tenancies so the potential impact on income is less.<br>Risk: Relatively low risk as the weekends are low footfall. Subject to the outcome of consultation processes as normal. | |
| Libraries | Income Generation | There will be a £0.122m estimated shortfall in this year's income and the areas where there were increases last year have shown diminishing returns so the savings have not been met. This needs to be recovered in 2023/24, in addition to the corporate inflationary increase in targets of 3%. Increasing room hire and exhibition charges by 10% will be absorbed by the higher corporate inflation figure added to 2023/24. There is a risk that this rise will not meet the inflationary figure due to pricing being too high for the market. | |
| Libraries | Income Generation | Reinstate the children's fines and charges. Fines at a rate of 15p per day, capped at £3.75. Revised income figure based on analysis of current trends in library income. | **30** |
| **Libraries Total** | | | **141** |
| ***COMMUNITIES, EQUALITIES & THIRD SECTOR*** | | | |
| Communities | Communities, Equalities and Third Sector (CETS) Development staffing and operational budget | No proposed savings | |
| Communities | Communities and Third Sector Development Commission | As a discretionary grant programme BHCC does not offer inflation uplift to grant recipients. Grant levels are set for the three year duration of the grant agreement. | **13** |
| Communities | Communities Fund | 20% reduction proposed. The Communities Fund is awarded annually in 3 rounds using a bidding process to award to organisations offering services that meet specified objectives.<br>Risk: Low risk as this does not reduce funding of any existing service but instead reduces the funding pot for future awards. See EIA 28. | **66** |
| Communities | Equality & Cohesion | Staffing is at minimum levels to meet demands. | |
| Communities | Healthwatch | Commissioned service - no saving opportunity. | |
| **Communities, Equalities & Third Sector Total** | | | **79** |
| ***SAFER COMMUNITIES*** | | | |
| Environmental Health & Licensing | Environmental Health & Licensing | Increase discretionary licensing fees by 6% in line with cost increases (linked to staffing costs). See EIA 29. | **13** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Environmental Health & Licensing | Environmental Health & Licensing | Reduction in staffing costs achieved through already reduced hours. See EIA 29. | **10** |
| Environmental Health & Licensing | Environmental Protection | Staffing is at minimum levels to meet statutory requirements. | |
| Environmental Health & Licensing | Regulatory Services | A service redesign of Regulatory Services (Field Officers) could achieve a small saving through reprioritising work and advisory support.<br>Risk: Subject to the outcome of consultation processes as normal. See EIA 29. | **63** |
| Environmental Health & Licensing | Pest Control | No proposed savings | |
| Trading Standards | Trading Standards | Staffing is at minimum levels to meet statutory requirements. | |
| Civil Contingencies | Civil Contingencies | Staffing is at minimum levels to meet statutory requirements. | |
| Community Safety | Reducing Violence against Women and Girls Commissioning. (VAWG) | High demand service area including commissioned services. | |
| Community Safety | Casework Team | High demand service area - no saving opportunity identified. | |
| Service wide | Service wide | | |
| **Safer Communities Total** | | | **86** |
| **Housing, Neighbourhoods & Communities Total** | | | **1,874** |

# Budget Strategy 2023-24
# Governance, People & Resources (GPR)

**Service Context**

The Governance, People & Resources (GPR) Directorate provides a full range of support service functions together with front line services including local land charges, welfare support, housing benefit administration, and tax collection and administration.

The GPR Directorate's vision is to enable a well-run council and its mission is to: '**Provide trusted services to all customers, councillors and staff to enable the council to deliver strategic and operational priorities through optimising resources and ensuring robust governance.**'

Support Service functions operate at both a service level, providing essential business support to front-line services, and at a corporate level supporting the council to meet statutory obligations, maintain strong governance and stewardship, and develop effective strategic plans and tactics. This means operating as a 'Strategic Business Partner' to the council and its service directorates and supporting them through complex changes by being involved in the development of options and their evaluation, through to decision-making and supporting implementation.

Key metrics for the Governance, People & Resources Directorate are as follows:

**Corporate Communications**

- Delivers campaigns, marketing, public relations, film-making and copywriting that turn complex messages into impactful content aimed at target audiences, including emergency and crisis communications through a range of media including digital and social media platforms.
- Internal communications builds and supports cultural change through a network of ambassadors and media (e.g. intranet) to amplify messages from the inside out.
- Media relations support for staff and councillors by acting as a central hub for proactive and reactive media relations.
- Graphic design and branding to manage the council's identity so that services are clearly recognized, creating powerful, visual, branded content that stands out.
- Consultation, engagement and public affairs. Designing interactive and creative processes to gather an understanding of peoples' needs and views.

**Democratic Services, the Civic Office and Electoral Services**

- Co-ordination and administration of a transparent, legally compliant, democratic decision-making process.
- The co-ordination of support to Members including training & development.
- Administering of School Appeals, which can range from 300-500+ in a year.
- The Members' Allowances Scheme and support to the Independent Remuneration Panel.
- The Civic Office co-ordinates support to the Mayor, ensuring that all Civic engagements are managed effectively.
- Electoral Services provide end-to-end management of local elections with a primary aim of delivering safe and compliant elections.

**Finance and Internal Audit & Counter Fraud**

- Finance, including the statutory Section 151 Chief Financial Officer role, oversees the delivery of the council's Medium Term Financial Strategy (MTFS) and annual budget setting process and delivers the Targeted Budget Management (TBM) process in order to monitor budgets on an ongoing basis. It also produces the annual Financial Statements and supports the external audit process.

- Finance supports the 5 service directorates including over 250 budget managers, as well as 66 schools, and provides Treasury Management for over £200m cash balances and associated investments and over £0.5 billion money market transactions, and annually procures and negotiates over £1.8 billion insurance cover through premiums (£1.6m p.a.).
- Internal Audit & Counter Fraud (an Orbis Partnership service) provides over 1,000 audit days for circa 50 internal audit reviews providing assurance to management and the authority. It is a highly integrated Orbis function that includes specialist support in areas of counter fraud and IT audit.

**Human Resources & Organisational Development (HROD)**

- HROD provides services to around 9,000 staff across the council and in schools, including a comprehensive advisory, development and policy service to 750 people managers and 66 schools in the City;
- Delivery of 'Our People Promise' which includes the council's development offer for staff, and aims to help improve the council's performance;
- Health & Safety advice and support for all council services and schools;
- Provides support for developing and managing industrial relations including pay and policy negotiations;
- Provides support for developing and managing HR policies and processes including supporting grievance, capability and absence management procedures.

**IT & Digital (Orbis Partnership Service)**

- Maintains and supports the mission critical underpinning IT infrastructure used to run back-office services and deliver services to residents. This includes the management and procurement of devices (e.g., laptops), software (e.g., Microsoft O365), network connectivity, telephony (mobile, contact centre and office), data centre and data storage services, Always on VPN (AOVPN remote access) and other contracts;
- Supports the day-to-day provision use of hardware, software and IT applications;
- Provides cyber resilience through the procurement and use of cyber monitoring and filtering technologies, as well, as the provision of secure remote connection that enables remote access to council systems and data;
- Provides traded IT support and training services to schools in the City of Brighton and Hove;
- Delivers projects and programmes to support the adoption of new IT and digital capabilities to enable service improvement and improved resident experience;
- Support the council's adherence to IT and data regulation and compliance standards including GDPR (General Data Protection Regulation), FOI (Freedom of Information) and PSN (Public Service Network) code of connection services.

**Legal Services**

- Provides legal advice and representation across all of the council's functions as well as the Monitoring Officer function;
- Supports adult and children's safeguarding functions, where there is a significant pressure nationally in relation to the volume of Court proceedings;
- Supports the good governance of the council through advice to committees and manages the investigation and reporting of complaints under the Code of Conduct for Members;
- Achieves efficiencies through membership of the Orbis Public Law collaborative partnership.

**Performance, Improvement and Programme Management**

- Drives continuous improvement and efficiency across the organisation to support strong corporate governance, minimise the adverse impact of financial challenges on customers, avoid costly mistakes and better protect the council's reputation.

- Manages the statutory responsibility for ensuring objective resolution of customer dissatisfaction and takes the strategic lead in improving customer experience, as well as managing the Information Rights service.
- Processes approx. 2,000 Stage 1 complaints and 1,000 compliments, and investigates approx. 200 Stage 2 complaints and assists the Ombudsman with approx. 100 cases.
- The Performance Team drives the corporate and directorate planning and monitoring processes covering 6 Directorate Plans and 69 Corporate Key Performance Indicators.
- Manages the council's Risk & Opportunity Framework which currently includes 13 strategic and 25 directorate level risks.
- Production of the statutory Annual Governance Statement (AGS) evidencing effectiveness of corporate governance.
- Manages and co-ordinates support for 20 to 30 corporate modernisation projects and programmes across the organisation.

**Policy & Partnerships**

- Leads on the creation and implementation of the Corporate Plan and Business Framework.
- Plays a key role in developing, guiding and internally promoting key strategies such as the Economic Strategy, Transport strategy, and Carbon Neutral 2030 strategy.
- Acts as a liaison between the Administration and officers to drive policy development on behalf of the council's Administration and provides policy development support to directorates, for example, through the Corporate Policy Network.
- Enables city-wide engagement with key partners including B&H Connected, through relationship management, events and summits, and partnership development support.
- The Scrutiny function leads on the statutory health scrutiny function (HOSC) and currently provides business management support to the Health & Well-Being Board.



**Procurement (Orbis Partnership service)**

- Supports procurement of goods and services to the value of approximately £300m per annum;
- Supports circa 250 contract managers together with Legal Services including the provision of targeted contract management support for higher risk contracts;
- Supports the development of procurement strategy and policies including sustainability, Environmental, Social & Governance strategy, social value and modern slavery;
- Manages and authorises waivers of Contract Standing Orders;
- Supports the Member Procurement Advisory Board to scrutinise significant procurements and consider procurement route options.

**Welfare, Revenues & Business Support (WRBS)**

The Welfare, Revenues & Business Support (WRBS) service has a wide range of internal and external customers, including many vulnerable and low income households, but is also of strategic importance.

- Provision of strategic support and policy development for responding to welfare reforms, as well as direct delivery of local welfare support, assistance and advice;
- Collection and recovery of £164m Council Tax (and Council Tax Reduction Scheme);
- Collection and recovery of £104m Business Rate income;
- Processing of £113m Housing Benefit claims and managing the transfer to Universal Credit;
- Collection and recovery of Housing Benefit Overpayments;

- Developing and improving the council's Corporate Debt Policy and approach to debt recovery and collection, with a greater focus on pre-enforcement support and advice, debt prevention, welfare rights and financial inclusion;
- Collection and recovery of Adult Social Care and Sundry Debts (Business and Personal) (Accounts Receivable);
- Payroll services to over 9,000 staff across the council, schools and other external organisations;
- Processing over 200,000 payments to the council's suppliers and providers (Accounts Payable);
- Provision of banking, purchasing card and urgent payment services and the management of corporate financial information systems.

Many of the services above are also involved in providing a wide range of traded or contracted services to schools, South Downs National Park Authority, the Coast to Capital LEP, Worthing & Adur Councils, East Sussex Fire & Rescue, Horsham District Council and others which generate significant incomes.

**Budget Strategy**

**Direction of Travel**

The directorate's budget strategy will continue to adopt the strategies below in an attempt to meet an increasing volume and complexity of demands efficiently and effectively. However, this is increasingly requiring effective demand management, which is generally managed through prioritisation and risk stratification.

- The WRBS service brought together the Revenues & Benefits service with the Business Operations service following the latter's withdrawal from the Orbis Partnership on 1 April 2022. The bringing together of the services under WRBS has progressed reasonably well but current recruitment and retention issues are creating an additional challenge together with the enormous additional demands placed on the service including distributing Energy Boost payments, managing distribution of Household Support Funds and being the primary hub supporting hardship support and the Homes for Ukrainians programme.
- All services continue to explore further opportunities for collaboration, innovation and efficiency through improved use of technology, closer working with other directorates to design improved customer journeys and experience, and exploring opportunities to bring services or skills together.
- Similarly, continued implementation of systems developments, automation and digital services to improve customer service and deliver potential efficiencies. In particular, GPR has embarked on a major procurement process for the replacement of the council's Corporate Information Systems (e.g. HR, Finance, Payroll, Procurement) which is expected to be concluded in spring 2023 with implementation of new systems by April 2025.
- Continued investment in enhanced Business Partnering skills and ongoing realignment of the workforce skill mix to support the aim of being an effective Strategic Business Partner to the organisation.
- Utilising external peer challenge and reviews (at corporate and service level) to assist the authority in identifying strategic opportunities for improvement.
- To deliver debt prevention, welfare reform and cost of living responses that minimise the financial and administrative costs of supporting financial vulnerable households across all council services.
- Continued focus on maintaining and, where possible, increasing external income streams including renewal of contracts to existing customers including South Downs National Park and East Sussex Fire & Rescue Service alongside the pursuit of new income streams from other authorities. However, this must not be at the expense of service quality to the council and its residents and customers.
- Investing in a new case management system to secure ongoing ability to work remotely, efficiently and sustainably, and.
- Recruiting new trainees, apprentices and internships to mitigate the challenges of recruiting qualified professional staff.

**Areas of Focus for Savings**

**All Services:** Services continue to explore opportunities to generate income and contribute to corporate overheads. Services are already provided to Adur & Worthing Councils, South Downs National Park, schools and other authorities. Bidding for new work has to carefully balance the value of the income generated with the potential impact on capacity to support the council.

**Corporate Policy & Communications:** A service review and redesign following appointment of an Assistant Director Policy & Communications will focus on maintaining a high quality of communications and policy support whilst supporting the delivery of the council's most important strategic priorities. This includes improving portfolio alignment with corporate and directorate plans to allow better prioritisation and to help directorates to consider communications needs when drafting their Directorate and Service plans. Policy Team savings may have some impact on capacity to support partnerships and the development of key strategic plans. Further efficiencies and additional income may be achievable through continued support for H&WB work. Elsewhere, training and development budgets will be reviewed and limited staffing savings may be possible through service/workload redesign.

**Democratic Services and Civic Office:** Ongoing redesign for the Democratic and Civic Offices to increase efficiencies and reduce administrative costs, including less reliance on paper and more effective use of electronic agendas and the report management system. Significant changes to the Civic Office are proposed subject to full Council support.

**Procurement:** This Orbis service is implementing a modernisation programme aimed at stratifying (banding) support to procurement projects based on size, complexity and risk as well as creating specialist services to improve efficiency and collaboration including a central policy team, the Sourcing Solutions team managing lower value commissions, and a Procurement Hub able to flex resources to support customer departments. Additional contract management resources were previously approved and provide targeted support to contract managers for higher risk contracts and develop the procurement approach to Community Wealth Building.



**Welfare, Revenues & Business Support (WRBS):** Continued roll-out of the Universal Credit caseload to the DWP and continued investment in digital customer developments and automation are required to support the achievement of efficiencies in this service which will accelerate over the next 4 years subject to no further delays to the transfer. The impact of the cost of living has been very significant on the service which has administered vouchers and hardship funds for the city funded from Household Support Fund tranches, which will continue in 2023/24.

The withdrawal of the former Business Operations service from the Orbis Partnership on 1 April 2022 created a significant cost pressure due to the disaggregation of some integrated posts and services, and the need to address unachieved Orbis Business Plan savings. This budget pressure will need to be addressed in the 2023/24 General Fund budget but in the longer term, bringing together Business Operations and Revenues & Benefits services is expected to generate efficiencies through improved use of digital and application technologies to reduce costs and improve customer service over the medium term, particularly with the implementation of replacement corporate systems in 2025.

**IT&D:** Further contractual savings are sought in all re-procurements undertaken by IT&D across the Orbis Partnership. Opportunities for joint procurement and licensing are explored and waivers are used judiciously to align contract expiries to facilitate this. However, the historic under-investment in IT infrastructure, devices, network upgrades and access security have added significantly to IT&D costs while there is a need to continue investment in digital developments and platforms, the wide area network (Link replacement) and major corporate systems. These and other investments require step increases in funding to be provided within the Medium Term Financial Strategy and therefore the aim of the service is to minimise these increases through the actions above.

**Legal, Finance and HR Services:** These services are under considerable pressure due to the high level of change and business activity across the organisation which is increasing year-on-year driven by growing financial pressures across services, significantly increased industrial relations activity, and new or strengthened legislation requiring legal support and casework. The services will continue to use demand management tactics such as restricting legal involvement to more complex or high risk

issues and automating processes wherever possible, stratifying support to more complex or higher risk areas of work, and reducing failure demands (non-valued added processes). There is also continued exploration of opportunities to increase in income from external work but bidding for new work has to carefully balance the value of the income generated with the potential impact on capacity to support the council. These services will also introduce 'vacancy factors' recognising historic turnover and recruitment trends.

**Customer, Modernisation & Performance:** It is proposed to review the service based on priorities which will enable reduced data insight and governance support. A significant element of the service is not core funded, being supported by the Modernisation Fund.

**Areas for Investment**

Investment in 'Our People Promise' and the supporting development activities and actions are proposed to be maintained in 2023/24 utilising capital receipt flexibilities through the Modernisation Fund. This funding is inclusive of £0.120m that funds the Policy, Pay and Reward team.

As noted earlier, substantial investment in IT&D and the Digital Strategy will be required and this will ultimately require step increases of £0.500m per annum in financing costs and for increases in IT&D revenue budgets to be built into the council's Medium Term Financial Strategy. However, this may be funded through the Modernisation Fund in the short term subject to available recurrent revenue resources. This will cover necessary upgrades to the IT infrastructure, equipment replacement programmes, re-procurement of the Wide Area Network (The Link), funding for the digital development function, and licensing of major application suites (e.g. Office 365).

Expert advisory was commissioned to help the council review and determine the future of its corporate information systems including the Financial System and the HR/Payroll system. The review concluded that the systems (well over 10 years old) are not fit for purpose and that replacement with an Enterprise Resource Planning (ERP) system (highly integrated systems) would be likely to provide the best solution and opportunities for efficiencies in future. However, the cost v benefit of an ERP need to be assured and therefore other 'best of breed' options will be kept open through the procurement process which has commenced and will be resourced through capital investment, including through to implementation of any procured replacement.

The recent decision by Orbis Partners to withdraw Finance, Business Operations and HROD services from the Orbis partnership will require additional investment to re-create sovereign functions in BHCC. The 2023/24 budget includes an estimated £0.700m additional cost due to the disaggregation of integrated services, sharing of unachieved Orbis Business Plan savings, and other losses due to disintegration of management structures, and reduced economies of scale. However, it should be noted that the Orbis Partnership has generated cashable savings of £12m over the last 3 years which were highly unlikely to be achievable from outside of the partnership.

Legal Services is struggling to recruit qualified staff into new roles and has been unable to recruit to a number of lawyer roles resulting in high locum costs. A recently approved Market Supplement will cost around £0.400m but will ensure the council is able to recruit and retain skilled legal expertise across a number of fields including children's legal work, contract law, employment law and democratic and constitutional matters.

More generally and where appropriate, GPR services will develop business cases for invest-to-save support from the Modernisation Fund where these can help the directorate modernise its services to improve customer satisfaction, improve efficiencies and/or achieve financial savings.

**Supporting the Council's Priorities**

GPR services support and facilitate other services to deliver against the 6 corporate priorities and also contribute to the aim of being a well-run council that plans and manages services effectively at both a strategic and operational level. Helping the council to develop robust financial strategies, workforce plans, digital customer strategies, and effective welfare reform responses is critical to maintaining sustainable, financially resilient and accessible council services.

A key determinant of the demands placed on GPR services is therefore the level of change experienced across the organisation. This has been and remains at very high levels due to the cumulative effect of the growing financial challenges in local government requiring ever greater innovation in everything from digital services to corporate debt management to financing strategies that help resources and services go further. This creates a tension between the need to provide cost effective support functions while ensuring that the council and its services have the support to make sound business judgements and decisions that minimise legal, financial, employment, equality, health & safety, governance, internal control and other risks. Evidence of growing risks and poor mitigation of risks, as seen elsewhere, usually leads to reputational issues and ultimately service delivery failure as well as external audit and other scrutiny or challenge.

The escalation of the cost of living and welfare support are also a major part of the directorate's work at all levels and are becoming increasingly complex, leading to a fundamental re-think of how to provide debt prevention, and responses to welfare reform and cost of living impacts to maximise their strategic and operational impact. This has become particularly apparent during the pandemic, and now the cost of living situation, which have inevitably exacerbated inequalities but have resulted in a very effective welfare and emergency assistance response supported by the Welfare, Revenues & Business Support service and other professionals.

GPR services underpin the authority's governance framework, ensuring safe and legally compliant decision-making, as well as maintaining reviewing and improving the council's internal control environment. Advisory and Business Partnering services within Finance, HR, IT&D and Procurement help the organisation to maximise its use of resources, fully evaluate options, avoid costly fines, mistakes or non-compliance occurrences, and thereby deliver cashable and non-cashable savings or cost-avoidance. Similarly, Programme Management resources ensure effective oversight and delivery of major improvement programmes funded by the Modernisation Fund or Capital Investment.

These services are integral to front line delivery and work best when operating as a trusted Strategic Business Partner as part of both corporate and directorate management teams' roles in developing strategic responses and solutions for delivery.



**A city to call home**

- The directorate will play a key role in reviewing potential re-financing options for Seaside Homes as well as supporting financial modelling and financing strategies for a wide range of initiatives including Home Purchase, New Homes for Neighbourhoods, the Housing Joint Venture and other estate regeneration and emergency and temporary accommodation schemes.

**A City Working for All**

- Through procurement, ensuring that the city council's spending power is used to secure good value for money and, as far as possible with contract regulations and market conditions, to procure local services, and improve sustainability and social value.
- Embed policies and practice concerning Social Value, Community Wealth Building, Sustainability and Modern Slavery across all contracts.

**A Stronger City**

- The people strategy for the organisation is delivered through 'Our People Promise' led by HROD. This programme is designed to ensure we have an engaged and motivated workforce who are able to deliver their best to the city enable all priorities to be supported. As a series of 5 commitments, it underpins HROD's work in terms of wellbeing, equalities, development, reward and engagement.

- HROD also manages the Fair and Inclusive Action Plan (FIAP) which supports the organisation to become reflective of the community, and to improve the experience of all staff, including embedding the council's Anti-Racism Strategy and approach in all council policies.
- Actively supporting the corporate aim of diversifying the workforce at all levels, recruiting and retaining staff from all of the city's communities.
- Supporting the organisation to have a reward framework in place that enables successful recruitment and retention of staff while ensuring a fair and transparent system.
- The HROD service takes a lead in managing industrial relations, ensuring issues are dealt with fairly and transparently, and where necessary supporting the resolution of disputes.
- Supporting the organisation to ensure it fulfils its legal and moral health & safety responsibilities to provide a safe working environment where staff are supported to be happy and well.
- Providing a comprehensive learning and development offer that supports employees through from induction to planning for retirement. The offer also supports the culture change of the organisation, and in particular the work to ensure the council is fairer and more inclusive.

**A growing and learning city**

- The directorate provides a wide range of traded services to schools, from HR and payroll to health & safety advice and support, to help them manage and administer a safe and effective school environment.
- Finance plays a key role in working with the Schools Forum to develop the annual Schools Budget across the 4 blocks of the Dedicated Schools Grant.

**A Sustainable City**

- Enable the successful delivery of digital improvement projects and programmes through the co-design and co-delivery of underpinning technologies, platforms and services in IT&D to support services in delivering corporate priorities.
- Develop a scalable and resilient IT&D technical architecture which provides a secure, highly available platform for business services.
- Exploring alternative financing options for low or zero carbon initiatives through the government's emerging Green Investment proposals as well as local financing options and other viable business cases.
- Assisting in the development of a 5-Year Capital Investment Programme that supports the council's priorities including Housing, Sustainable Transport and Zero Carbon schemes, Regeneration & Employment, Schools & Learning, and IT & Digital.

**A Heathy and Caring City**

- Continue to respond to the impact of the cost of living crisis and welfare reforms, including oversight of the council's welfare and hardship support and assistance, working across services and with CVS partners.
- Identify ways to increase support for those struggling to afford the cost of housing. This will include making full use of discretionary payments and/or distributing government hardship funds as well as supporting the development of new build housing programmes and business cases.
- Continue to work on examining the impacts of energy and food poverty on individuals and communities and co-develop strategies, lobbying tactics, and action plans with partners to assist those living in poverty including providing access to advice and support.

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| ***GOVERNANCE, PEOPLE & RESOURCES*** | | | |
| ***CHIEF EXECUTIVE & MONITORING OFFICER*** | | | |
| Chief Executive & Monitoring Officer | Chief Executive, Monitoring Officer and support. | No saving proposed. | **0** |
| **Chief Executive & Monitoring Officer Total** | | | **0** |
| ***POLICY & COMMUNICATIONS*** | | | |
| Policy Partnership & Scrutiny | The PPS team runs a partnership, policy and scrutiny service - priorities include setting the city vision and strategy, corporate plan development, overseeing strategic cross city partnership working (such as the City Management Board, Brighton & Hove Connected) as well as running thematic partnerships such as the Transport Partnership, Health & Wellbeing Board and the Carbon Neutral Members Working Group and Officers Working Group, in addition to fulfilling the scrutiny function for HOSC. | 2023/24: Reduction of one Policy Officer post plus £10k saving re: vacancy factor 2024/25: Potential saving from reduction in staffing which would need consultation and a reprioritisation of workload and support.<br>Risk: Will result in reductions to support for the council's policy, strategy and partnership activity and associated member support leading delays in meeting demands and/or to increased pressure on other service areas to provide support and maintain links. There may also be a loss of income from partners if adequate support cannot be maintained. | **50** |
| Communications (inc Graphic Design Team | The Communications team provides advice to all councillors and staff on all communications and public relations issues relating to the council, its services and policies. Functions include: campaigns, marketing and copywriting; internal communications; media relations; graphic design and branding; digital content design; | The Communications team structure will be reviewed by the Head of Communications & Public relations leading to consultation with staff and trade unions as normal. Plus £10k vacancy factor contribution.<br>Risk: Any reductions in the service will reduce the amount of tactical comms and campaign work the team can deliver, and potentially reduce member support. | **84** |

| Section | Service Area | Savings Detail: Brief Summary of Budget Proposal/Strategy and Risks | Savings Detail: Savings Proposals 2023/24 £'000 |
|---|---|---|---|
| | consultation and social media; emergency and crisis communications. | | |
| **Policy & Communications Total** | | | **134** |
| ***LEGAL & DEMOCRATIC SERVICES*** | | | |
| Legal Services | | £70k from voluntary reduction in hours in Property and Corporate Law Teams and a review of Business Support. £20k from a further reduction in hours of staff and reduction of on-line legal resources.<br>Delivery Risk: Reduction in capacity to support FOI/Data Protection work, property work and administrative Law work and reduced administrative capacity causing delays and reducing capacity to support more efficient ways of working. Both the ability to meet demand for time critical work and the ability to generate income could be impacted. | **90** |
| Legal Services – Children's & Adults | | Increase in demand, recruitment and retention difficulties and high risk associated with reducing capacity for safeguarding work mean taking savings in this area is not recommended at this time. | **0** |
| Democratic & Civic Services | | Increase income in Democratic Services (£10k) and reduce Civic Office support following review of Civic Office. The proposals will involve a significant reduction in the support to the Mayoralty which will require a review of the role and commitments supported from the Mayor's Office (£74k). Additional £27k saving from ceasing Ward Member budgets.<br>Delivery risk: Review of Civic Office proposals will be subject to the outcome of consultation and engagement on revised arrangements. | **111** |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Members Allowances | | The Administration is proposing a freeze to Members' Allowances, however, this is subject to Independent Remuneration Panel (IRP) review and recommendations in respect of the 4 year scheme. A freeze to allowances would produce a saving of approximately £39k. | **0** |
| **Legal & Democratic Services Total** | | | **201** |
| ***LIFE EVENTS*** | | | |
| Electoral & Land Charges | | Increase income (Local Land Changes) and reduce spend on storage of elections material.<br>Delivery risk: LLC proposed increase in income may be impacted by current property market destabilisation. Reduction in storage costs may be prevented by an inability to source an alternative storage option. | **22** |
| **Life Events Total** | | | **22** |
| ***CUSTOMER MODERNISATION & PERFORMANCE*** | | | |
| Customer and Performance | Corporate Performance team, Customer feedback including handling customer complaints and liaising with LGSCO, Customer experience - working with services across the council to deliver our Customer Promise and vision,<br>Data Governance & insight function. | £67k reduction in staffing for data insight and governance through deletion of a vacant post. Additional £13k from minimising all non-staffing costs to a minimum e.g. no funding for staff training/development beyond the corporate learning & development offer, no funding to develop performance management software etc.<br>Risk: Removing the vacancy is not aligned to the corporate commitment of improving the council's data maturity and standards. | **80** |
| Corporate Programme Management Office | Driving modernisation agenda | No savings proposed as no core funding. The team is funded by the Modernisation Fund (capital) to support a wide range of modernisation projects and programmes. | |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Information Rights Team | Complying with information rights requirements including FOI, SAR, data protection | Small potential efficiency opportunity in dealing with information rights cases.<br>Future year savings will require processes to be made significantly more efficient. | **6** |
| **Customer Modernisation & Data Total** | | | **86** |
| ***FINANCE*** | | | |
| Financial Services | Provides a full range of financial services including the S1551 Chief Finance Officer, Financial Advice (Business Partnering) support to services, Medium-term Financial Planning and Annual Budget Preparation, Treasury Management, Taxation and Insurance services, management accounting, reporting and forecasting (TBM), account maintenance, and completion of statutory government returns and grant claims. It also provides contracted Services to Schools, South Downs National Park Authority, the Coast to Capital LEP and the Housing Joint Venture. | Contribution to overheads of £15k from provision of C2C LEP S151 CFO service. Also, application of a 2% vacancy factor which will be made up of both normal turnover rates and ad hoc changes in hours across the service, contributing £38k. Increased charge to HRA for additional financial support not currently charged.<br>Delivery Risk: The future of LEPs is uncertain and this income may not be achievable in future years if LEPs are dissolved. If turnover is low, a 2% vacancy factor (or equivalent) may not materialise, creating an in-year pressure. HRA charges are reliant on the calculation of and interaction with wider Support Service Charges. | **67** |
| Audit (MOBO) | This budget relates to a number of small items including NAFN and training retained by BHCC. All other Internal Audit budgets are held within Orbis (See 'Contribution to Orbis'. | No saving opportunity identified. | |
| Insurance (MOBO) | This budget relates to a number of small items including system | No saving opportunity identified. | |

| Section | Service Area | Savings Detail: Brief Summary of Budget Proposal/Strategy and Risks | Savings Detail: Savings Proposals 2023/24 £'000 |
|---|---|---|---|
| | licences retained by BHCC. All other Insurance budgets are held within Orbis (See 'Contribution to Orbis'. | | |
| **Finance Total** | | | **67** |
| ***PROCUREMENT (MOBO)*** | | | |
| Procurement | This budget relates to a number of small items including system licences retained by BHCC. All other Procurement budgets are held within Orbis (See 'Contribution to Orbis'. | No saving opportunity identified. Main Procurement Team budget is within Orbis Services below. | |
| **Procurement (Mobo) Total** | | | **0** |
| ***HR & ORGANISATIONAL DEVELOPMENT*** | | | |
| Health & Safety and Occupational Health | Provision of competent H&S advice in accordance with legislation, maintaining the councils H&S Policy, Standards & safety management framework Team Safety and undertaking a programme of audit activity to report on assurance. Carrying out incident investigations & reporting to the Health & Safety Executive (HSE) in accordance with legislation | Deletion of a vacant post with some re-shaping of the remaining posts in the team. Saving is therefore 'equivalent to' an SO1/2 post which equates to £43k to be achieved through a team restructure and a focus of the work on assurance, audit and risk management. Also, implement a vacancy factor of 2% (£19k).<br>Delivery risk: Continued high demand for services following Covid, and the outcomes of HSE investigations. Risk mitigated by a focus of the teams activity as stated above. The team are fully staffed, a risk that will be mitigated by vacancy management where possible. | **62** |
| Learning & Organisational Development | Delivery of Organisational Development and training for the organisation and wider social care sector. Supports the organisation to transform and modernise, develop skills for the future workforce and ensure | Implement a vacancy factor of 2% and increase the training income target by £10k. Approximate vacancy factor of £26k used to make total of £23k. Also, a further reduction in staffing equivalent to 0.5 FTE SO1/2 post across HR.<br>Delivery risk: Team are fully staffed, a risk that will be mitigated by vacancy management where | **58** |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | current training and development is delivered to maintain necessary skills | possible.<br>The further deletion of resources across HR creates significant service delivery pressure at a time of increased demand to support transformation and change in the organisation. The removal of resource from across HR risks slowing the implementation of changes elsewhere. | |
| HR Reward, Policy, Strategy, Advisory and Business Partnering | Delivery of the full HR service, including policy changes, advisory services and Business Partnering ensuring the organisation is supported with BAU support, and the development of strategies, plans and actions to develop the workforce of the future and enabling transformation and modernisation | Implement vacancy factor of 2% and reduce establishment by the 'equivalent of' 1.5 FTE SO1/2 posts. Change will be implemented by re-focusing the work of the team onto higher level added-value work, and ensuring that appropriate toolkits and guidance are available to managers through the new Wave. Total of £94k.<br>Delivery risk: Team are fully staffed, a risk that will be mitigated by vacancy management where possible. Continued high level of demand from managers, and reduced capacity to support the organisation to manage through change, slowing the implementation of changes elsewhere. | **94** |
| Trades Union Support | Trade Union facility time to support consultation, negotiation and individual case work across the council | No saving opportunity identified as current support has member agreement. | **0** |
| Recruitment Team | | Service funds itself (and a contribution to overheads) through charges per recruitment. Increasing charges only impacts other council budgets. | |
| **HR & Organisational Development (Mobo) Total** | | | **214** |
| ***IT&D (MOBO)*** | | | |
| | | | |
| IT infrastructure and licencing | Reduced IT infrastructure cost overheads from reprocurement of WAN services, along with | The migration of Wide Area Network services from the Link to the South East Grid consortium (and MLL as the provider) will yield a recuring saving. | **100** |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | cost reductions following the decommissioning of council offices and buildings with broadband and Wi-Fi connectivity. | This saving is expected to be delivered during 23/24. However, there is a risk of a part-year saving due to deployment delays.<br>Additional savings are anticipated from the reduction of IT infrastructure costs (WAN connections and Wi-Fi) resulting from office consolidation and reduction. | |
| Projects and Programmes | Project delivery of capital schemes that involve resource from all sections of IT&D. | Review opportunities to capitalise staff costs against capital schemes.<br>This requires historic analysis of project staff costs associated with capital schemes in order to identify a reasonable assumption of annual staff capitalisation.<br>Low risk providing this cost recovery is compliant with accounting policies and reporting standards. | **50** |
| IT Schools Traded Services | Provision of IT services to schools on a traded basis. | No saving proposed but will keep under review the financial cost/benefits of operating a traded service to schools. This requires the financial appraisal of options to address a potential future pressure from a reduced DSG contribution. The options would include reviewing pricing, service delivery models and service cessation. | |
| Staffing | Staff Budget | Put in place a 2% staff vacancy factor across the base staff budget and increase by a further 2% as a backstop option, this additional factor could create a level of service delivery risk. | **200** |
| **IT&D (Mobo) Total** | | | **350** |
| ***WELFARE REVENUES & BUSINESS SUPPORT*** | | | |
| Accounts Payable, Accounts Receivable and Banking teams | Collection and administration of all debts through the corporate debt system. Payments to creditors and suppliers. Administrative support and controls for banking and | No saving opportunity identified. High demand area where a reduction in support following withdrawal from Orbis would result in lost income on the £40m+ Sundry Debt portfolio. | |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | payments systems within the council. | | |
| Corporate Debt Team | Overseeing and monitoring the overall organisations debt performance. Targeted data analysis, training and intervention to improve performance. | As above. | |
| Payroll & Pensions | Administration of officer renumerations and retired officer renumerations. | No saving opportunity identified. Highly pressurised service currently requiring a short term increase in resources. | |
| WRBS Technical Systems teams | Technical Systems support for all WRBS teams including general ledger, creditors, debtors, banking, human resources, payroll, council tax, business rates and housing benefits | No saving opportunity identified. Team manages 3 major corporate systems and will be instrumental to supporting Business Analysts through the design, specification and replacement of systems under the HR/Payroll/Finance Corporate Systems replacement programme. | |
| Housing Benefit Administration | Statutory administration of national and local benefit schemes | The DWP have stated that households in receipt of Working Age Housing Benefit will be transferred to Universal Credit by the end of 2024/25. This transfer will represent an estimated reduction in workload of 40% over the next 4 years and the proposed saving represents a similar reduction in administrative budget allowing for digital efficiencies. The saving opportunity is modest (£75k) in 2023/24 but increases significantly as transfer accelerates. This is a net figure accounting for a proportional loss of the associated HB Admin grant. The saving is calculated as a proportion of the current administration budget and the exact profile of the saving in terms of posts and grades (over the 4 years) is yet be determined because it needs to be informed by considered restructuring of the service so it is optimally placed to deal with the | **75** |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| | | residual workload and the benefit/welfare challenges in the future.<br>Delivery Risk: There is a risk that there will be further slippage in the DWPs timeframes as before. Although, following the pandemic, there appears to be more confidence that the transfer will not be delayed further. There is a risk in reducing resources too quickly to be able to cope with legacy benefit work. There is a risk that the service will still be under considerable pressure to provide an enhanced level of welfare services in response to national economic pressures and this saving will reduce the capacity to divert resources for this purpose. | |
| Housing Benefit Administration Grant (within Corporate Unringfenced Grants) | | | |
| Council Tax Collection Teams | Statutory collection of council tax income | No saving opportunity identified. High demand area where a reduction in support would result in a growing backlog and lost income, particularly in the light of economic conditions. | |
| Business Rates Collection Team | Statutory collection of business rates income | No saving opportunity identified. High demand area where a reduction in support would result in a growing backlog and lost income, particularly in the light of economic conditions. | |
| Council Tax S13A discounts | Locally funded section 13A council tax discounts awarded for carers relief, difficult to let and exceptional/unexpected situations, such as flooding). | Proposal: The service effectively manages a portfolio of discretionary funds that are used to support residents with material goods, food, energy costs, awards, discounts and exemptions. The majority of these awards are based on some degree of means testing and are designed to support those households with the lowest income and highest need. However a small number of discretions are based on circumstance. Therefore it is proposed to cease to provide these discretions with the mitigation that any current recipient on a | **26** |

| Section | Service Area | Savings Detail: Brief Summary of Budget Proposal/Strategy and Risks | Savings Detail: Savings Proposals 2023/24 £'000 |
|---|---|---|---|
| | | low income would still receive discretionary support, albeit from a different source, one of our income based discretions or from the recently announced Household Support Fund. The discretions proposed to be deleted are 1) discretion to reduce council tax by 50% for difficult to let self contained units within another property 2) Additional 100% council tax discount for 4 week in unexpected circumstances, such as flooding. Delivery Risk: Low risk and impact expected. | |
| Local Welfare Assistance Schemes | Awards of discretionary benefits and cost of living support schemes to lower income households. | Critical local welfare response in current economic conditions. However, a switch of funding to Household Support Fund for 2023/24 can be achieved followed by a small downsizing through vacancy management across the wider service in 2024/25 assuming economic conditions improve in line with OBR forecasts. | **45** |
| Welfare Framework | The organisation of local authority response to cost of living and welfare demands. Responding to government monitoring. Data Analysis to enable targeted welfare responses. Provision of resource and linkage to mental health and debt advice aspects of the response. | No saving opportunity identified. Analysis of data is essential to understanding need and effectively targeting scarce hardship resources and support. | |
| Welfare Advisory | Specialist advice given to maximising income and claiming and appealing entitlements. Holistic solutions for low income households. | No saving opportunity identified. Service reduces costs to the council by maximising eligible benefits for residents. | |
| **Welfare Revenues & Business Support Total** | | | **146** |
| ***CONTRIBUTION TO ORBIS*** | | | |

| | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| Orbis Services | Orbis Services refers to the Orbis Operational Budget which covers Internal Audit, Procurement and the Integrated elements of IT&D, as well as Finance 'Centres of Expertise' for Treasury and Insurance. The contribution is based on an agreed contribution ratio (ACR) as specified in the Inter-Authority Agreement (IAA). There are also Sovereign-held budgets managed by Orbis services on behalf of the partners but where overall control rests with the funding authority (these are known as 'Mobo' budgets). | No savings are possible from the Orbis Services budget in 2023/24 for two main reasons: 1) The services have been restructured over the past two years (Procurement is still in the process) having delivered Orbis Business Plan savings targets in 2019/20, 2020/21 and 2021/22 and there is no immediate opportunity for further savings, and 2) importantly, the partners have not agreed further savings targets for 2023/24 which is a one-year agreement. For later years there is expected to be potential for agreement to strive for greater efficiencies, the primary intention of creating Orbis, through integration and/or economies and for this to be reflected in a new, longer term Business Plan and Inter-Authority Partnership Agreement (IAA). | |
| **Contribution To Orbis Total** | | | **0** |
| **Governance, People & Resources Total** | | | **1,220** |

| Service Area | | Savings Detail | |
|---|---|---|---|
| **Section** | **Service Area** | **Brief Summary of Budget Proposal/Strategy and Risks** | **Savings Proposals 2023/24** |
| | | | **£'000** |
| ***CORPORATE SERVICES*** | | | |
| Council Wide | Senior Management | Proposal is to achieve a further management reduction or delayering across the council's senior management tiers.<br>Risk: Senior Management capacity is already stretched following significant delayering over many years. The council's retention of a committee system requires additional support and the level of public reporting and engagement is high compared to many authorities. The risk is that capacity is impacted resulting in lack of oversight and performance management of services and that staff are left unsupported. | **100** |
| Council Wide | Executive Assistant/Personal Assistant support to Tier 1 to 3 senior managers (CMT) | The proposal is to review and redesign support with a proposed reduction 'equating to' 1.5 FTE across the whole of CMT through potential technology efficiencies and further pooling or sharing of resources.<br>Risk: Senior Management capacity is already stretched following significant delayering over many years, including a further proposed saving above, and if the efficiencies and sharing of resources cannot be realised, this would place additional burdens on senior management and impact value for money as senior managers are drawn into managing lower level tasks and administration. | **62** |
| Corporate Pension Costs | Corporate pension costs - historic retirement decisions | | |
| Corporate Debt Management | Debt Management practices across the whole council | | |
| Contingency | | | |
| Financing Costs | | | |
| Insurance | | | |
| Unringfenced Grants | | | |
| Housing Benefit Subsidy | | | |
| Levies and Precepts | | | |
| **Corporate Services Total** | | | **162** |

## Capital Investment Programme 2023/24 to 2027/28

| Capital Investment Programme | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| Health & Adult Social Care | 2,000 | 5,000 | 2,090 | - | - |
| Families, Children & Learning | 12,121 | 13,046 | - | - | - |
| Economy, Environment & Culture | 58,986 | 29,212 | 10,276 | 4,000 | 2,500 |
| Housing, Neighbourhood & Communities - HRA | 34,224 | - | - | - | - |
| Housing, Neighbourhood & Communities - GF | 2,230 | 3,380 | 3,000 | 1,500 | 500 |
| Governance, People & Resources | 1,533 | - | - | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| Health & Adult Social Care | 500 | 4,500 | 500 | 500 | 500 |
| Families, Children & Learning | 7,100 | 5,000 | 5,000 | 5,000 | 5,000 |
| Economy, Environment & Culture | 21,838 | 36,588 | 19,207 | 20,750 | 11,924 |
| Housing, Neighbourhood & Communities - HRA | 57,791 | 50,492 | 41,313 | 35,273 | 33,317 |
| Housing, Neighbourhood & Communities - GF | 4,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Governance, People & Resources | 9,374 | 5,055 | 2,000 | 1,250 | 1,250 |
| **Total** | **211,698** | **153,273** | **84,386** | **69,273** | **55,991** |
| **Funded by:** | | | | | |
| Government Grants (non ringfenced) - *no conditions* | 26,795 | 17,964 | 9,300 | 13,300 | 9,300 |
| Government Grants (ringfenced) - *with conditions* | 17,263 | 23,532 | 2,180 | 2,000 | 2,000 |
| Capital Receipts | 18,884 | 5,521 | 1,359 | 795 | - |
| Capital Reserves | 2,036 | 4,800 | - | - | - |
| Specific Reserves | 4,720 | 700 | 4,568 | 500 | 500 |
| External Contributions | 7,714 | 3,365 | 574 | - | 2,000 |
| Direct Revenue Funding - GF | 770 | 500 | 500 | 500 | 500 |
| Revenue contribution to capital (HRA self financing) | 19,281 | 18,757 | 19,830 | 18,313 | 18,589 |
| Borrowing | 114,234 | 76,384 | 44,325 | 32,115 | 21,352 |
| **Total Funding** | **211,698** | **151,523** | **82,636** | **67,523** | **54,241** |
| **Funding Shortfall** | **(0)** | **1,750** | **1,750** | **1,750** | **1,750** |

| Families, Children & Learning | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| New Pupil Places (Basic Need) | 4,684 | 7,812 | - | - | - |
| Capital Maintenance 2019/20 | 52 | - | - | - | - |
| Capital Maintenance 2020/21 | 1,098 | - | - | - | - |
| Capital Maintenance 2021/22 | 785 | - | - | - | - |
| Education Capital Maintenance 2022/23 | 1,722 | - | - | - | - |
| High Needs Provision Capital | 1,930 | 5,234 | - | - | - |
| Cardinal Newman 4G Pitch & Changing Rooms | 1,850 | - | - | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| Education Capital Maintenance Grant | 4,000 | 4,000 | 4,000 | 4,000 | 4,000 |
| Devolved Formula Capital Grant | 500 | 500 | 500 | 500 | 500 |
| Structural Maintenance Contribution | 500 | 500 | 500 | 500 | 500 |
| Brighton Youth Centre | 2,100 | - | - | - | - |
| **Total Families, Children & Learning** | **19,221** | **18,046** | **5,000** | **5,000** | **5,000** |

| Health & Adult Social Care | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| Knoll House Building Works | 2,000 | 5,000 | 2,090 | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| Better Care Funding - Capital Grant | 500 | 500 | 500 | 500 | 500 |
| Adult Social Care Accommodation | - | 4,000 | - | - | - |
| **Total Health & Adult Social Care** | **2,500** | **9,500** | **2,590** | **500** | **500** |

| Economy, Environment & Culture | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| *Transport* | | | | | |
| Brighton Marina to River Adur Works | 2,652 | 652 | - | - | - |
| Local Safety Schemes (LTP) | 53 | - | - | - | - |
| Street Lighting Maintenance (LTP) | 810 | 1,000 | 400 | - | - |
| Valley Gardens Phase 3 (LTP) | 4,600 | 4,000 | 2,000 | - | - |
| Bus Shelters (non advertising sites) | 23 | - | - | - | - |
| Hove Station Footbridge | 250 | 250 | - | - | - |
| SCAPE Water Level Protection Carden Av & Norton Rd | 617 | - | - | - | - |
| School Streets | 149 | - | - | - | - |
| Active Emergency Travel Fund - Tranche 2 | 514 | - | - | - | - |
| Brighton Bikeshare Replacement Programme | 1,000 | 215 | - | - | - |
| Covered Cycle Racks | 99 | - | - | - | - |
| CNF - Climate Assembly Action Capital Investment Fund Transport Projects | 1,000 | - | - | - | - |
| Citywide Strategic Transport Model | 800 | - | - | - | - |
| Seafront Heritage Lighting Renewal Programme | 1,050 | 1,000 | - | - | - |
| CNF - Air Quality Automatic Analysers | 150 | - | - | - | - |
| CNF - Liveable Neighbourhoods - Hanover & Tarner | 2,100 | - | - | - | - |
| Active Emergency Travel Fund - Tranche 3 | 200 | 1,000 | - | - | - |
| Bus Service Improvement Scheme | 2,688 | 2,100 | - | - | - |
| CNF - Traffic Signal Carbon Reduction Programme | 400 | - | - | - | - |
| CNF - E-Cargo Accelerator Project | 45 | - | - | - | - |
| CNF - Concrete Road - Lifecycle Extension Programme | 1,000 | - | - | - | - |
| *City Environmental Management* | | | | | |
| Downland Initiative Programme | 25 | 25 | 9 | - | - |
| Sheepcote Valley Household Waste | 75 | - | - | - | - |
| City Clean Modernisation Scheme | 40 | - | - | - | - |
| Stanmer Depot relocation | 470 | - | - | - | - |
| Public Conveniences | 420 | 1,222 | 317 | - | - |
| City Env Management IT Systems | 529 | - | - | - | - |

| Economy, Environment & Culture | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| On-Street and Communal Bin Infrastructure | 500 | 500 | 250 | - | - |
| Pavilion and Mess Room Refurbishment Programme | 350 | 1,250 | 1,250 | - | - |
| Holingdean Deport Office Accommodation | 1,900 | - | - | - | - |
| Holingdean Deport Site Surface | 682 | 318 | - | - | - |
| CNF - Improving WEEE recycling | 85 | - | - | - | - |
| CNF - Improving the Communal Bin System | 600 | 220 | - | - | - |
| CNF - Solar Smart Litter Bins | 115 | - | - | - | - |
| CNF - BUTT You Can Save Water & Compost | 48 | - | - | - | - |
| East Brighton Park Improvements | 50 | - | - | - | - |
| Stanmer Pond Restoration & Access Improvement | 76 | - | - | - | - |
| Playground Refurbishment programme 2021-2025 | 275 | - | - | - | - |
| Parks and Open Spaces Investment | 968 | 1,250 | 1,250 | - | - |
| Stanmer Park Offices | 150 | - | - | - | - |
| CNF - EV Charging Points for Cityparks Vehicles | 31 | - | - | - | - |
| CNF - Woodland Creation Scheme | 200 | 300 | 300 | - | - |
| Stanmer Park Road | 170 | - | - | - | - |
| CNF - St Ann's Well Café Sustainable Improvements | 70 | - | - | - | - |
| CNF - City Parks Diesel Reduction Programme | 130 | - | - | - | - |
| CNF - Allotments Water Infrastructure Upgrade | 106 | - | - | - | - |
| CNF - Food Drainage Systems for Parks Tree Pits | 150 | - | - | - | - |
| CNF - Decompaction Machine for Grassed Areas | 27 | - | - | - | - |
| CNF - Rewilding Residents of Brighton & Hove | 16 | - | - | - | - |
| CNF - Downland Dew Pond Creation | - | 25 | - | - | - |
| Procurement of Vehicles | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| *City Development & Regeneration* | | | | | |
| New England House | 217 | 200 | - | - | - |
| Redevelopment of King Alfred Swimming Pool | 166 | - | - | - | - |
| Black Rock Enabling Works | 2,000 | - | - | - | - |
| *Culture, Tourism & Sport* | | | | | |
| Brighton Museum & Art Gallery Works | 1,964 | - | - | - | - |
| Prince Regent - Replace Mechanical Equip | 762 | - | - | - | - |
| Saltdean Lido Replacement Library | 700 | - | - | - | - |
| Withdean Sports-Soft play Development | 425 | - | - | - | - |

| Economy, Environment & Culture | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| Seafront Shelters Upgrade and Refurb | 80 | - | - | - | - |
| Seafront Railings Upgrade | 100 | - | - | - | - |
| CNF - Sports Facilities LED Lighting Scheme | 254 | - | - | - | - |
| Levelling Up Fund - Kingsway to the Sea | 10,761 | 853 | - | - | - |
| Withdean Sports Complex - 3G Development | 500 | - | - | - | - |
| King Alfred Main Pool Reinforcement | 650 | - | - | - | - |
| *Property* | | | | | |
| Statutory DDA Access Works Fund | 60 | - | - | - | - |
| Madeira Terrace Structural Repairs | 331 | - | - | - | - |
| King Alfred Cathodic Protection System Repairs | 206 | - | - | - | - |
| Various Leisure Buildings Works | 60 | - | - | - | - |
| Workstyles Phase 4 | 700 | - | - | - | - |
| Brighton Town Hall - PMB contribution to refurbishment | 200 | - | - | - | - |
| Phoenix House Improvements | - | 332 | - | - | - |
| Moulsecoomb Hub and Housing – Workstyles 4 | 4,540 | 8,000 | - | - | - |
| CNF - Moulsecoomb Hub and Housing Sustainability Measures | 725 | - | - | - | - |
| Commercial Property Portfolio Repairs | 15 | - | - | - | - |
| CNF - Schools Energy Efficiency Reinvestment fund | 400 | - | - | - | - |
| CNF - Decarbonised Heat Pilots/Heat Pumps | 190 | - | - | - | - |
| CNF - Commercial Portfolio Energy audits & improvements | 25 | - | - | - | - |
| CNF - Carbon Reduction Measures to Operational Buildings | 1,000 | 1,000 | 1,000 | 500 | - |
| Brighton Centre Essential Maintenance | 1,000 | 1,000 | 1,000 | 1,000 | - |
| | | | | | |
| **Identified Schemes Not Yet approved** | | | | | |
| Pocket Parks | - | 150 | - | - | - |
| CNF - Rechargeable Medium Sized Machinery Parks | 13 | - | - | - | - |
| Madeira Terraces Development Implementation Works | 6,950 | - | - | - | - |
| Madeira Terraces Phase 2 Scheme | - | 3,635 | - | - | - |
| Strategic Investment Fund | 250 | 250 | 250 | 250 | 250 |
| Carbon Neutral 2030 Investment fund | 391 | - | - | - | - |
| Royal Pavilion Estate Development (Phase 2 Gardens) | - | 4,700 | - | - | - |
| Royal Pavilion Estate Development (Phase 3 Museum) | - | - | - | 4,000 | - |
| Volks Railway Disabled Access Carriage | - | 100 | - | - | - |

| Economy, Environment & Culture | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| CNF - Levelling Up Fund - Kingsway to the Sea | 700 | - | - | - | - |
| Stanmer Park - Redevelopment of Traditional Agricultural Buildings | - | 2,869 | 1,400 | - | - |
| Asset Management Fund | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Planned Maintenance of operational buildings | 2,000 | 1,500 | 1,500 | 1,500 | 1,500 |
| Planned Maintenance - Social Services Buildings | 500 | 500 | 500 | 500 | 500 |
| New England House - City Deal | - | - | 4,068 | 6,000 | - |
| Community Asset Transfer Policy | 210 | 215 | - | - | - |
| CNF - Low Carbon Heat at Children Centres / Nurseries | 250 | - | - | - | - |
| CNF - Water Efficiency Fund - Phase 2 | 50 | - | - | - | - |
| Local Transport Plan - Capital Grant | 4,500 | 4,500 | 4,500 | 4,500 | 4,500 |
| Pothole Action Fund - Capital Grant | 1,400 | 1,400 | 500 | 500 | 500 |
| Incentive Funding - Highways Capital Grant | 350 | 350 | 300 | 300 | 300 |
| Marina to River Adur Coast Protection Works | 2,467 | 14,819 | 1,674 | - | - |
| CNF - Western Road Transport Improvement | 533 | - | - | - | - |
| CNF - Determining Emission Category Citywide Vehicle Fleet | 200 | - | - | - | - |
| CNF - Norton Road Rain Gardens | 75 | - | - | - | - |
| A27 Junction Improvements | - | 600 | 3,515 | 2,200 | 3,374 |
| **Total Economy, Environment & Culture** | **80,825** | **65,800** | **29,483** | **24,750** | **14,424** |

| Housing, Neighbourhood & Communities - GF | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| LDV On-Going Costs - Community Homes (B&HSCH) | 500 | 500 | 500 | 500 | 500 |
| Warm Safe Homes Grant | 360 | 380 | - | - | - |
| Brighton & Hove Warmer Homes Investment Fund | 1,120 | 2,500 | 2,500 | 1,000 | - |
| Libraries Self-Service Renewal | 250 | - | - | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| Disabled Facilities Grant - Capital Grant | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |

| Housing, Neighbourhood & Communities - GF | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| Accommodation for Supported Housing Delivery | 3,000 | - | - | - | - |
| **Total Housing, Neighbourhood & Communities - GF** | **6,230** | **4,380** | **4,000** | **2,500** | **1,500** |

| Housing, Neighbourhood & Communities - HRA | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| Windlesham Close | 714 | - | - | - | - |
| Windows | 200 | - | - | - | - |
| Environmental Improvements | 100 | - | - | - | - |
| Citywide Loft Conversions & Extensions Projects | 160 | - | - | - | - |
| Solar PV City Wide | 800 | - | - | - | - |
| Design Competition | 1,984 | - | - | - | - |
| New Build Refurbishment (Converting Spaces in Existing Buildings) | 516 | - | - | - | - |
| Structural Repairs | 5,760 | - | - | - | - |
| House Purchase Scheme | 5,394 | - | - | - | - |
| Extended Home Purchase Scheme | 6,000 | - | - | - | - |
| Moulsecoomb Hub - Housing | 9,695 | - | - | - | - |
| Housing First | 1,275 | - | - | - | - |
| Palace Place Redevelopment | 1,626 | - | - | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| HRA Capital Investment Programme 2023-24 | 57,791 | - | - | - | - |
| HRA Capital Investment Programme 2024-25 | - | 50,492 | - | - | - |
| HRA Capital Investment Programme 2025-26 | - | - | 41,313 | - | - |
| HRA Capital Investment Programme 2026-27 | - | - | - | 35,273 | - |
| HRA Capital Investment Programme 2027-28 | - | - | - | - | 33,317 |
| **Total Housing, Neighbourhood & Communities - HRA** | **92,015** | **50,492** | **-** | **-** | **-** |

| Governance, People & Resources | Year 1 Budget 2023/24 £000 | Year 2 Budget 2024/25 £000 | Year 3 Budget 2025/26 £000 | Year 4 Budget 2026/27 £000 | Year 5 Budget 2027/28 £000 |
|---|---|---|---|---|---|
| **Approved Schemes** | | | | | |
| Wide Area Network - The Link | 1,238 | - | - | - | - |
| Enterprise Resource Planning Programme | 161 | - | - | - | - |
| Replacement Learning Management System | 134 | - | - | - | - |
| **Identified Schemes Not Yet approved** | | | | | |
| Enterprise Resource Planning Programme | 4,634 | 3,055 | - | - | - |
| Managing Staff Changes (Restructure / Redundancy) | 400 | - | - | - | - |
| Modernisation Enablers | 940 | - | - | - | - |
| Invest to Save (4-year plans) | 350 | - | - | - | - |
| Desktop & Laptop Replacement Programme | 1,000 | 1,000 | 1,000 | 250 | 250 |
| Customer Digital | 1,050 | - | - | - | - |
| IT&D Fund | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| **Total Governance, People & Resources** | **10,907** | **5,055** | **2,000** | **1,250** | **1,250** |

## Capital Strategy 2023/24 to 2027/28

### 1. Background

1.1. CIPFA's Prudential Code for Capital Finance in Local Authorities and DLUHC's Investment Guidance, require all local authorities to prepare a Capital Strategy report which should demonstrate that the authority:

- takes capital expenditure and investment decisions in line with service objectives;
- takes account of stewardship, value for money, prudence and affordability;
- sets out the long term context in which capital expenditure and investment decisions are made;
- gives due consideration to both risk and reward and the impact on the achievement of priority outcomes.

1.2. The aim of the Capital Strategy is to ensure that all members on the full Council understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

1.3. The Prudential Code and the Treasury Management Codes were updated in 2021, for full implementation in 2023/24. The updates included:

- Local authorities are required to acknowledge that they will not borrow for projects where the primary purpose is for commercial return;
- Further transparency required for non-treasury investments, including new indicators that demonstrate the proportionality of non-treasury investments to the council's other activity;
- Creation of Investment Management Practices (IMPs), which are similar to the existing Treasury Management Practices (TMPs). The IMPs will outline the processes, practices and governance that will be followed in the management and decision making for non-treasury investments. These IMPs are in the process of being developed for 2023/24 and will be scrutinised by the Section 151 officer in advance of being enacted.

1.4. This Capital Strategy is reported separately from the Treasury Management Strategy Statement which ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercial investments usually driven by expenditure on assets.

1.5. CIPFA have updated the definition of investments within the Treasury Management Code to now include "non-treasury", or commercial investments. These non-treasury investments are held primarily for financial returns, such as investment property portfolios. This strategy covers any non-treasury investments that the organisation holds or is planning to invest in. Treasury investments and associated risks are covered under the council's Annual Investment Strategy, which forms part of Appendix 3 to General Fund budget report.

1.6. Under the Prudential Code and Treasury Management Code, the council is required to set parameters around the council's borrowing and treasury activity, including an authorised borrowing limit for each year which cannot be breached. These parameters are set out in the prudential indicators within Annex C to this Appendix 3. These indicators ensure that any borrowing undertaken is prudent, affordable and sustainable.

1.7. Additionally, when funding capital expenditure through borrowing, the council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP). The policy for making the annual MRP should be prepared in line with the MRP guidance published by DLUHC. The council's MRP policy for 2023/24 is consistent with the current guidance and is included in Appendix 3 for approval.

## 2. Governance & Risk Frameworks

2.1. The council's Financial Regulations set out the framework of control, responsibility and accountability for the proper administration of the council's financial affairs. Under the Financial Regulations, the Chief Finance Officer is responsible for ensuring a capital programme is prepared and considered by Policy & Resources Committee and approved by full Council annually.

2.2. Further to this, the council's Standard Financial Procedures define the key controls around the management of the council's financial affairs, including the capital programme. The key controls for the capital programme are:

- Specific approval by full Council for the programme of capital expenditure, in conjunction with the annual revenue budget process, outlining the phasing of expenditure and the sources of funding;
- A scheme and estimate, including options appraisal, project plan, progress targets and associated revenue expenditure are prepared for each capital project;
- No capital scheme to proceed unless necessary approvals have been obtained;
- Proposals for improvements and alterations to buildings must be approved by the appropriate Chief Officer in consultation with the Assistant Director Property & Design;
- Major rolling programmes of capital expenditure will require a detailed report to be submitted to Policy & Resources Committee covering all of the schemes within each programme of works. This will include, but not be limited to, the programmes for the housing stock, Education, Asset Management Fund, Corporate Planned Maintenance (PMB), Information Technology & Digital (IT&D) Fund, Strategic Investment Funds and the Local Transport Plan. These may be reported separately or as part of a Targeted Budget Management report;
- The development and implementation of an Asset Management Plan;
- A nominated, accountable budget holder for each scheme and/or component of the programme;
- Monitoring of progress on capital schemes and comparison with approved budget and remedial action taken to address overspends, reporting monthly to Chief Officers and at least quarterly to the Policy & Resources Committee;
- Compliance with the council's Corporate Procurement Strategy and Contract Standing Orders.

2.3. Since June 2016 a Corporate Risk and Assurance Framework (CRAF) has provided a structured approach to help Members and senior managers discharge their responsibility for the management of key risks with potential to affect achievement of the council's priorities and expected outcomes. The CRAF requires the council to be proactive and have arrangements in place through its senior officers for robust arrangements for managing its business. Specifically the CRAF is designed to:

- help the council avoid costly mistakes, better protect its reputation and contribute to keeping the council safe;
- set out for stakeholders, including members, how the council complies with best practice (the International Standard for Corporate Governance) and, as such, the CRAF forms an appendix within the council's statutory Annual Governance Statement.

**Management of Risk**

2.4. The council provides a number of critical services and its core purpose is to meet its statutory duties for the benefit of the citizens of the City. The council's key priority is to protect the delivery of these services. Therefore, the council needs to take a measured approach to balancing the risks of any capital investment decisions with the resources available for delivering key services against the benefits accruing from the investment.

2.5. The council's Risk Management Process is managed by:

(i) assigning accountability to key officers to enable review, and challenge processes and assurances;

(ii) using a "three lines of defence" model to map out how it gains assurance over its activities, processes and risks. This is reported as the Corporate Risk Assurance Framework (CRAF) appendix within the Annual Governance Statement. An example is given below on using the three lines of defence to structure and categorise assurances for procurement.

> An organisation might identify contract management as a key risk. The assurance map would then set out the sources of assurance that enable senior management and members to satisfy themselves that this risk is being managed. Under the three lines of defence, these assurances are categorised as follows:
>
> **First line:** controls and processes followed by service managers who own and manage risks. In this case, these would be the controls and processes followed by contract managers who are responsible for procuring and managing contracts.
>
> **Second line:** controls and processes operated by managers responsible for overseeing risks. These typically monitor the first line of defence operated by managers and in this case might include risk management and procurement compliance functions.
>
> **Third line:** functions providing independent assurance. This is a key role for Internal Audit and is sometimes considered to include external inspectorates.

(iii) monitoring and tracking delivery of the assurances throughout the year to help strengthen the risk management and control environment through the Risk Reporting Timetable (RRT). The RRT schedules in reviews of risk at Directorate Management Teams, who prepare reports that are progressed and escalated and which ultimately result in quarterly update reports being presented to the Executive Leadership Team (ELT). These then go onto the Audit & Standards Committee on a quarterly basis within the Strategic Risk

focus agenda item which provides updates on changes to the Strategic Risk Register.

As part of this item the Committee also focuses on at least two, but normally four or five, Strategic Risks where Risk Owners (officer members of the ELT) attend to answer Members' questions on whether the right type of assurance activity is being targeted at the right area or risks and whether this is efficient. From 2020 The Strategic Risk Register is annually reported in full to the Policy & Resources Committee alongside the corporate Performance Report.

2.6. Risks specific to the delivery of the capital programme and Capital Strategy are managed by a range of processes and groups:

- Financial risks (e.g. overspending, slippage and re-profiling) are managed through the council's Targeted Budget Management (TBM) process which is reported at least quarterly to P&R committee.
- The progress of major infrastructure projects is monitored through the officer led Strategic Investment Board and the member led Strategic Delivery Board.
- Any significant changes to the direction, or financial or legal risks of any major scheme are reported back to P&R committee.

## 3. Capital Strategy

3.1. Capital resources are available to the council for investment in assets. They play an important role in helping to achieve the council's Corporate Plan priorities. This section sets out the strategy and plans for capital expenditure. The council's Capital Strategy outlines the process for the prioritisation and evaluation of capital investment projects. A summary of these priorities is detailed as follows and aims to:

- seek to protect as far as possible capital grant funding for education, housing transport and the public realm investment;
- pool all remaining non ring-fenced capital resources and allocate these to priority areas for investment;
- allocate approximately £0.250m per annum to 'major projects' investment through a Strategic Investment Fund. These projects support the economy through regeneration of key sites which can often lever in housing development;
- allocate £1.000m per annum towards the Information Technology & Digital Fund to address the funding of central network support and improvements to the IT&D infrastructure identified in the IT&D Investment Strategy;
- allocate £1.000m per annum to the Asset Management Fund to support essential property improvements, minimise backlog maintenance, improve sustainability and energy efficiency of buildings where possible, and reduce longer term maintenance costs;
- similarly, allocate a minimum of £2.000m per annum through borrowing to support investment in planned maintenance in operational and social care buildings;
- Assess the potential social value of surplus or underperforming assets against the potential disposal value and where possible maximise the use of assets to enhance social value across a 4 year asset management plan;

- Subject to an assessment of the potential social value, generate capital receipts from the disposal of surplus or under-performing assets and to deploy the proceeds from the sale of capital assets:
    - for reinvestment in the capital investment programme, or;
    - for modernisation of council services including using the government's 'capital receipt flexibilities' that allows revenue costs to be capitalised and funded from capital receipts where this generates efficiencies, or;
    - for repayment of debt or for investment, for example, to offset any loss of rental income in the revenue budget;
- the net receipts from 'right to buy' sales from council housing are reinvested directly into additional housing;
- use unsupported borrowing for:
    - service improvements where a business case has been developed and approved, and can demonstrate that the investment will provide value for money and that the additional financing costs are reflected in the revenue budget;
    - purchase of vehicles and plant where an options appraisal demonstrates borrowing provides the best value for money and the financing costs are reflected in the revenue budget;
    - investment to support Corporate Plan priorities where the financial impact of any decision is treated as a commitment in future years' budgets and is affordable;
    - restructuring the funding of the approved capital programme when this provides a more efficient use of capital and revenue resources;
- explore all funding options including partnerships and one-off bidding processes. The council can bid for capital investment through funding streams such as the National Heritage Lottery Fund, Arts Council, Levelling Up Fund (LUF) and the Coast to Capital Local Enterprise Partnership (C2C LEP). Other Government initiatives that may be considered include the Highways Maintenance Challenge Fund and the Housing Infrastructure Fund. The council can use its land to facilitate private sector or partnership based investments;

Explore capital investment opportunities to support the city's carbon neutral 2030 corporate objective and incorporate in future capital investment plans.

3.2. The financial resources used to fund the 2023/24 capital expenditure programme of £211.698m are included at Annex A and the 5-year capital projections are incorporated in Appendix 1.

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

3.3. The HRA Capital Strategy focuses on meeting the Housing Committee's priorities and workplan 2019-2023 and Housing Strategy priorities. The strategy aims to ensure that every pound invested reaches beyond the housing service and contributes to regeneration, tackling inequality, creating training and employment opportunities and improving sustainability. Key priorities of the Housing Strategy, Asset Management Strategy and Work Plan that inform the Housing Revenue Account Capital Investment Programme 2023/24 are improving housing supply and investing in homes and neighbourhoods to provide safe and good quality housing.

3.4. The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of homes. The implementation of

the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the current HRA Asset Management Strategy. The investment programme looks to provide investment to reduce the carbon footprint of council housing and to increase the number of affordable homes available across the city to help tackle the City's housing crisis. The capital investment proposal covers the following areas:

- Delivery of New Council Homes
- Improving Housing quality & Standards
- Sustainability & Caron Reduction
- Tackling Inequality

3.5. In October 2018, the Minister for Housing, Communities & Local Government issued a determination – The Limits on Indebtedness (Revocation) Determination 2018. This came into force on 29 October 2018 and removes the restrictions on borrowing for the HRA. The removal of the 'debt cap' has enabled the potential for substantial growth in the number of homes that can be built or purchased within the HRA with continued investment in the existing housing stock. However, the HRA remains subject to the Prudential Framework and as such all new HRA borrowing decisions will need to be affordable, prudent and sustainable and therefore will be subject to business cases and viability tests.

3.6. Since 2012 the HRA has operated on 'self-financing' principles and the capital programme is funded from a variety of HRA sources including revenue surpluses (rental incomes), borrowing, capital receipts, reserves and other grants. These resources are part of the HRA ring-fenced account to be spent on council owned stock. Further detail on the priorities and proposed investments can be found in the 'HRA Budget and Capital Investment Programme 2023/24 and Medium Term Financial Strategy' report.

## 4. Capital Investment Plans 2023/24 to 2027/28

4.1. All capital expenditure plans are approved in accordance with the council's Standard Financial Procedures by full Council with detailed proposals and any changes approved by P&R Committee through either separate project reports or as part of regular Targeted Budget Management (TBM) reports.

4.2. The capital investment plans for 2023/24 to 2027/28 are included at Appendix 1 and a summary of the investment plans is provided in section 7 of the main report.

## 5. Approach to Non-Treasury Investments

5.1. The council's primary non-treasury investments relate to its commercial property portfolio, details of which are covered in Section 6. The council will explore other opportunities to enable developments that support the delivery of council priorities.

5.2. The council uses its property assets, both operational and investment, to enable a number of major infrastructure projects to deliver key assets for the city such as the King Alfred Leisure Centre and the Waterfront project to replace the Brighton Centre; or to support regeneration and in turn increase council tax and business rates receipts such as the Kingsway to the Sea and New England House schemes.

5.3. In addition, the council is able to provide third party loans and financial guarantees in order to enable external projects which support the council's Corporate Plan priorities and outcomes. The current portfolio and risks of these types of arrangements are outlines in sections 7 and 8.

5.4. Whilst income generation is often necessary to support the business case of certain capital investments, the council will not invest in activities where the primary purpose is to generate a yield. The council may, however, invest in existing commercial assets (such as the existing investment property portfolio) where investment is required to maintain the assets and therefore protect the income streams. This approach is in response to both HM Treasury's change to PWLB lending arrangements and CIPFA's revision of the Prudential and Treasury Management Codes.

5.5. All non-treasury investment opportunities are subject to a due diligence process, including business case appraisal, risk assessment and sensitivity analysis and assessment of legality including state aid compliance.

5.6. All proposals are approved by Policy & Resources Committee and the delivery of major schemes is overseen by both the member-led Strategic Delivery Board and the officer-led Corporate Investment Board.

5.7. The council's approach to fees and charges includes a commercial view where there is a competitive market and encourages managers to explore new income streams to enable the council to become more self-sufficient.

## 6. Investment Property Portfolio

6.1. The council has a portfolio of commercial property assets valued at £273.9m generating an annual income of £11.8m which is therefore an important income source supporting council services. These figures are based upon the value as at the end of March 2023. The council maintains a Corporate Property Strategy and Asset Management Plan which links the council's property holdings to its corporate priorities and strategic goals. The key aims outlined in these documents are to maximise income whilst supporting improved service delivery. Its corporate property objectives include "*to optimise the value received from non-operational urban and agricultural commercial portfolios*".

6.2. One of the strategies had been to re-balance the urban portfolio through a programme of disposals of under-performing assets and investing in primary assets generating a healthy income to support service delivery. However, the changes introduced by HM Treasury and CIPFA removes the council's ability to be able to invest in new commercial assets.

6.3. Before the pandemic, the council's urban commercial portfolio had performed well, with low levels of voids, arrears and bad debt. Despite the economic impact of the pandemic, performance in most sectors, including retail and industrial, has remained strong, however there is currently a high level of voids within the multi-let office properties. In addition, there are a number of tenants on payment plans having deferred their rent payments to assist their financial cashflow. The council is therefore holding a higher level of debt which is at risk.

6.4. In addition to the impact of the pandemic the portfolio has inherent risks within it, which include:

- An unbalanced portfolio with an over-reliance on one market sector;
- An over-reliance on retail, which is experiencing significant change and a downturn in performance due to external factors;
- A high level of tertiary properties with low covenant tenants who are at higher risk of failure;

- An older and aging portfolio with high levels of obsolescence and repair requirements as well as investment needs to meet statutory compliance;
- A high level of secondary and tertiary properties with limited prospect of rental growth.

6.5. There is an increased risk of voids and bad debt, low income growth and even a potential decline in income in some areas as well as an increased capital investment requirement from the council as a result of the current balance of the portfolio. Options will be explored in order to mitigate the risk as outlined above.

6.6. The table below shows the current composition of the commercial property portfolio according to both property value and income. The table demonstrates that the retail sector (including Primary, Secondary, Tertiary and Neighbourhood Shops) comprises 42% of the income stream from commercial property.

| Portfolio | | Income £'000 | Income as a % of total income | Property Value £'000 | Value as % of total Value | Average Yield of portfolio |
|---|---|---|---|---|---|---|
| Agricultural | All | 883 | 7.46% | 57,522 | 29.44% | 1.54% |
| Seafront | Commercial property & concessions | 1,999 | 16.89% | 29,817 | 15.26% | 7.55% |
| | Beach huts & chalets | 251 | 2.12% | | | |
| Commercial property managed by GVA | Prime Shops | 2,257 | 19.07% | 34,545 | 17.68% | 6.53% |
| | Secondary Shops | 1,559 | 13.17% | 20,921 | 10.71% | 7.45% |
| | Tertiary Shops | 796 | 6.72% | 5,472 | 2.80% | 14.55% |
| | Neighbourhood Shops | 337 | 2.85% | 2,952 | 1.51% | 11.42% |
| | Offices | 1,148 | 9.70% | 15,119 | 7.74% | 7.59% |
| | Industrial | 960 | 8.11% | 9,915 | 5.07% | 9.68% |
| | Leisure | 300 | 2.53% | 6,155 | 3.15% | 4.87% |
| | Miscellaneous | 138 | 1.17% | 2,181 | 1.12% | 6.33% |
| | Mixed Use | 49 | 0.41% | 683 | 0.35% | 7.17% |
| | Residential | 17 | 0.14% | 437 | 0.22% | 3.89% |
| | New England House | 1,078 | 9.11% | 8,983 | 4.60% | 12.00% |
| | Car Parking/Garages | 65 | 0.55% | 674 | 0.34% | 9.64% |
| **Total** | | **11,837** | **100%** | **195,376** | **100%** | **7.87%** |

*Note – the table excludes a number of sites managed "in-house" such as community centres, car parks and legacy sites belonging to the council.*

6.7. The council's Corporate Property Strategy and Asset Management Plan will be reviewed and redrafted for presentation to Members for consideration and ratification in the context of the changing rules from HM Treasury regarding PWLB borrowing. In advance of this, any disposals which seek to mitigate risk will be identified on a case-by-case basis. The council holds contracts with Avison Young to manage its urban portfolio and Savills to manage its agricultural portfolio. A key provision within these contracts is for the providers to work with the in-house property team to identify appropriate assets for disposal.

6.8. Any opportunities explored that result in an expected asset disposal are presented and approved by Policy & Resources Committee in accordance with the council's

Scheme of Delegation, and executed in accordance with the council's Financial Regulations.

## 7. Loans to External Bodies

7.1. The council has the ability to provide capital loans to external bodies and organisations for the purpose of supporting activities undertaken that are aligned to the council's Local Plan and/or service objectives. For example, a loan may be given to support a project which generates economic growth in Brighton and Hove.

### *Governance*

7.2. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 direct that a loan to an external organisation to fund any expenditure that would be treated as capital expenditure if it were incurred by the local authority must be treated as capital. As a result, all loans to external parties are subject to the governance requirements of all capital expenditure incurred by the council, as described in section 2.

7.3. Any loan to external organisations must be compliant with rules regarding the provision of State Aid (now Subsidy Control). Advice from legal and finance officers is sought in each instance to ensure loans are compliant.

### *Decision making & procedure*

7.4. Loans to external organisations are undertaken on a case-by-case basis and are subject to a thorough due diligence process to ensure:

- the business plan receives adequate scrutiny by both finance, legal and service officers in order to evaluate the level of risk;
- the loan is state aid/subsidy control compliant;
- the recipient of the loan can afford the repayments.

7.5. As all external loans are classed as capital expenditure, Policy & Resources Committee is ultimately responsible for agreeing the loan as part of the capital programme and will receive a report outlining the relative risks, benefits and financial and legal implications in each instance.

7.6. The council has an obligation to review all outstanding loans to external bodies as under accounting requirements it is required to review the risk of non-repayment of all outstanding debt and make a provision for impairment where there is a probability that part or all of a loan will be irrecoverable.

7.7. No overall parameters have been set on the total loan value that can be provided to external bodies which are assessed and agreed on a case-by-case basis.

### *Current portfolio*

7.8. The council has the following loans to external bodies outstanding as at 31 December 2022:

| Organisation | Loan Value at 31 Dec 2022 £m | Purpose of loan & link to council priorities / service objectives | Meeting at which loan approved |
|---|---|---|---|
| The i360 Company | 44.161 | To build the i360 observation tower, unlocking economic regeneration on the seafront | (1) Special Policy & Resources Committee, 6 March 2014. |

| | | | |
|---|---|---|---|
| | | and increasing business rate income. | (2) Policy & Resources Committee 7 July 2022 |
| Wave Community Bank (formerly East Sussex Credit Union) | 0.250 | To increase the reserves base for the organisation to increase affordable lending to local people and businesses, and to increase the provision of crisis loans to Brighton and Hove residents. | PR&G Committee, 21 January 2016 and then extended to 2026 by PR&G Committee on 11 October 2018. |
| Housing Joint Venture | 9.408 | Joint venture partnership with Hyde Housing Association for the delivery of 1000 affordable homes within the City. This will be fully repaid during 2022/23 | PR&G Committee, 12 October 2017<br>P&R Committee 21 October 2020 |
| Royal Pavilion & Museum Trust | 2.000 | To provide a cash flow facility for the Royal Pavilion and Museum Trust. | Special P&R Committee, 30 July 2020 |

7.9. The loan to the i360 company represents a financial risk as reported to Policy & Resources Committee in July 2022. The committee agreed to restructure the loan to provide the best financial outcome to the City Council however this revised loan agreement was not finalised due to further financial difficulties of the attraction and the council is considering its options for managing this debt. The 2023/24 budget makes full provision for the associated borrowing costs of the debt irrespective of the i360 Ltd financial position and this is reflected in the revised Minimum Revenue Provision policy included at appendix 3.

7.10. The council is providing a (maximum) £4.0m cash flow facility to the Royal Pavilion and Museum Trust (RPMT) to be drawn down over a three-year period and repaid over a maximum period of ten years. This was agreed at the Special P&R Committee of 30 July 2020 in response to the potential cash flow impacts of the pandemic. To date the RMPT has drawn down £2.0m.

## 8. Financial and other Guarantees

8.1. The council has provided guarantees against the underlying performance of the following arrangements:

- ***Brighton & Hove Seaside Community Homes (BHSCH)***

  The council has provided a rent guarantee to underwrite the rental income where Local Housing Allowance rates do not keep pace with inflation. The amount outstanding as at 31 December 2022 under this rent guarantee was £1.156m. The contract stipulates that the rent guarantee will be returned to the council when BHSCH achieves a level of surpluses as defined by the contract and business plan.

- ***Royal Pavilion Estate redevelopment phase 1***

  Grant funding bids for the scheme included a target for fundraising to match-fund any grant received. To allow the scheme to progress, the council has

underwritten the fundraising target which has allowed the release of grant. The total fundraising target was originally £5.5m. At its meeting in December 2018, the former Policy Resources & Growth committee agreed to earmark £3.0m and an additional £8.4m was approved at October 2019, February 2021 and October 2021 Policy & Resources Committees. A final sum of £2.5m was approved at July 2022 Policy & Resources Committee to cover risk, contingency and cost over-runs on the project and potential shortfalls in fundraising targets.

## 9. Other schemes

The primary objectives of the following schemes are not for financial return purposes, but to support meeting the council's strategic priorities for the city. However, each project is expected to create net revenue income for the council and have therefore been included for completeness.

***Housing Joint Venture***

9.1. The council has entered into a living wage joint venture with Hyde Housing Association for the delivery of 1,000 affordable homes for the city. The Homes for the City of Brighton & Hove LLP's (LLP) business plan and legal arrangements were agreed by the former Policy, Resources & Growth committee at its meeting of 12 October 2017 and included a projected investment by the council of £59.7m for 50% of the homes, net of receipts from shared ownership sales. Subsequently on 21 October 2020 a joint Policy & Resources and Housing committee meeting approved that the business plan is amended for the development of the first 2 sites at Coldean Lane and Portslade, delivering 346 homes. The approval given was for 50% of the homes to be purchased by the HRA for an investment of up to £41.0m including fees and utilising Homes England Grant funding.

9.2. The LLP's business plan to deliver the remaining 654 homes has since been updated following a review to enable the new development company delivery model for future developments. Significant changes to the LLP agreements is a reserved matter and requires Policy & Resources approval. At the 7 July 2022 Policy & resources meeting approval was given to amend the business plan accordingly. The revised business plan adopts the development company model for future projects with HBH developing homes and selling back to the Council and Hyde, all new projects require individual sign off Policy & Resources before progressing to the development stage.

## 10. Proportionality & Summary of Risk Exposure

10.1. The Capital Strategy provides an opportunity to demonstrate the totality and proportionality of the council's non-treasury investments in one place.

10.2. The Prudential Code now requires authorities to report a new indicator showing the expected income from non-treasury investments compared to the net budget. This is shown in the table below..

| Net income from Non-Treasury Investments to Net Revenue Stream | 2023/24 Estimate £m | 2024/25 Estimate £ | 2025/26 Estimate £ |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Income from commercial properties | 12.373 | 12.848 | 13.320 |
| *Net revenue budget* | ***232.835*** | ***260.983*** | ***267.124*** |
| ***Ratio of net income from non-treasury investments to net revenue budget*** | ***5.3%*** | ***4.9%*** | ***5.0%*** |

10.3. The council's underlying need to borrow is portrayed by its Capital Financing Requirement (CFR). The CFR increases each year by capital expenditure that is not funded by new or existing resources (i.e. results in borrowing). The CFR reduces each year by the MRP set aside to repay borrowing as described in paragraph 1.7

10.4. Any non-treasury investments funded by borrowing will increase the council's CFR. The table below demonstrates the proportion of the General Fund CFR (excluding PFI liabilities) outstanding at 31 March 22 (and forecast to be outstanding at 31 March 2023) that relates to commercial investments. That is, this represents the outstanding debt relating to the council's commercial activity where MRP has not yet been applied.

| | As at 31/03/22 | Forecast to 31/03/23 |
|---|---|---|
| General Assets CFR | 72% | 78% |
| i360 | 20% | 18% |
| Phoenix House | 2% | 2% |
| Lyndean House | 3% | 2% |
| Housing Joint Venture | 3% | 0% |
| **Total General Fund CFR** | **100%** | **100%** |

## 11. Knowledge & Skills

11.1. The council's Section 151 Officer has delegated responsibility for the council's treasury and capital activities. This requires the post holder to be a qualified accountant. The Section 151 Officer is a CIPFA qualified accountant who follows an ongoing programme of Continuous Professional Development (CPD).

11.2. The council's treasury and capital strategies are produced and maintained by a team of officers who are professionally qualified accountants and who have extensive local authority experience. The council has a contract with Link Asset Services for the provision of specialist advice regarding its treasury investment and borrowing activity and for technical advice. Officers involved in treasury management ensure their knowledge is updated through Continuous Professional Development (CPD).

11.3. All of the council's commercial projects have project teams made up of officers from relevant professional disciplines from across the council. These project teams access external specialist advice regarding commercial projects where required.

11.4. The council's investment property portfolios are managed by Savills (agricultural) and Avison Young (Commercial), two of the UK's leading property companies. They administer their contracts for Estates Management Services through the provision of a dedicated team of chartered surveyors who have extensive property knowledge and expertise as well as experience of acting for local authority clients. Each local team is supported by a range of "head office" specialist services within their own organisation, including market experts, planning consultants, H&S/FM services,

accountancy, agency and so on, ensuring the council has access to a wide range of services to meet all of our property requirements.

11.5. Training is available for members who are responsible for decision making and scrutiny of treasury decisions to ensure their skills and knowledge are kept up to date for their involvement in this area.

## 12. S151 Officer Assurance Statement

12.1. This Capital Strategy is compiled in line with the requirements of the 2021 CIPFA Prudential Code and the 2021 Treasury Management Code.

12.2. The Section 151 Officer has reviewed the strategy against best practice advice from CIPFA and expert advisers and considers the strategy to be prudential, sustainable and affordable within the risk framework of the council and has ensured that it is fully integrated with the council's Medium Term Financial Strategy, Treasury Management Strategy Statement and Capital Strategy.

**List of Annexes:**

Annex A – Capital Resources 2023/24

Annex B - List of current non-treasury investments

Annex C - List of planned non-treasury investments

## Capital Resources 2023/24

A fully financed Capital Investment Programme is proposed for 2023/24 assuming that existing approved capital projects spend in-line with approved budgets and certain net usable receipts of £15.620m in total are achieved. Table 1 below shows how the programme can be financed in 2023/24. The position for the years 2024/25 onward is less certain until future Government grant allocations are confirmed. All Government support is allocated through capital grants and all grants are unringfenced with the exception of Devolved Schools Capital Grant which must be allocated to schools.

| **TABLE 1: Capital Resources** | **2022/23 £ million** |
|---|---|
| Capital Grants: | |
| - Capital grant announcements in previous years and profiled for spend in 2023/24 | 12.023 |
| - New capital grants | 32.035 |
| **Total Government Support** | **44.058** |
| Capital Receipts Reserve | 18.885 |
| Capital Reserves | 2.036 |
| Specific Reserves | 4.720 |
| External Contributions | 7.714 |
| Direct Revenue Funding – Housing Revenue Account | 19.281 |
| Direct Revenue Funding – Service Departments | 0.770 |
| Council Borrowing | 114.234 |
| **Total Capital Resources** | **211.698** |

## Capital Grants

The Government distributes capital grants towards the financing of certain capital expenditure. In 2023/24, it is anticipated that the council will receive new capital grants of £32.035m as summarised in Table 2 below, and £12.023m from grants already announced where the spending of these grants is now profiled in 2023/24.

It is possible that other capital grants may be received during the year and these will be reported through TBM budget monitoring reports to Policy & Resources Committee as and when they are announced.

The new capital grants are in four main areas:

- Education funding of £7.868m (estimated and due to be announced) for investment in the maintenance of educational buildings, Children's Centres in the city and High Needs Provision;

- Transport funding of £6.250m (estimated and due to be announced) to include transport related schemes and highways maintenance. The grant comes in the form of Highways Maintenance and Integrated Transport block grant plus assumed levels of investment for pothole maintenance and support from the Highways Maintenance Incentive fund;

- Better Care grant funding that supports the Disabled Facilities Grant programme and Adult Social Care investment to be confirmed;

- Levelling Up Fund to support the West Hove Seafront Improvement Plan as part of the application for a total of £9.5m grant funding for the project.

| **TABLE 2: New Grants announced for 2023/24** | **£ million** |
|---|---|
| Education Capital Maintenance * | 4.000 |
| Schools Devolved Capital * | 0.500 |
| Education High Needs Provision Capital | 3.368 |
| Highways Maintenance Block Allocation (LTP) * | 1.500 |
| Integrated Transport Block Allocation (LTP) * | 3.000 |
| Pothole Action Fund (LTP)* | 1.400 |
| Highways Maintenance Incentive Fund (LTP)* | 0.350 |
| Bus Service Improvement Grant | 2.688 |
| Coast Protection Grant from Defra | 2.652 |
| Better Care Funding * | 1.500 |
| Levelling Up Fund | 8.100 |
| Changing Places Public Conveniences | 0.330 |
| Homes England and Land Release Funding Grant HRA | 2.467 |
| Energy Grants for HRA | 0.180 |
| **Total** | **32.035** |

** Funding to be confirmed by government*

**Capital Receipts**

The funding of the capital investment programme assumes estimated net capital receipts of £15.620m in 2023/24. This includes receipts associated with the transfer of sites to the HRA associated for the Moulsecoomb redevelopment, the disposal of Patcham Court Farm and potential disposal of Montague Place. There are also a lease re-gear at Hollingbury, potential HRA transfer of land at Portslade plus number of surplus properties identified for disposal. These receipts are planned for investment in future years' capital programmes. Progress will be closely monitored throughout the year for all receipts and reported through the regular TBM budget monitoring reports. Failure to achieve some of these receipts will require the capital allocations for future years to be reviewed.

The net receipts from 'right to buy' sales are reinvested directly in delivering additional housing.

## Capital Reserves

The level of reserves relates purely to unspent resources carried forward from previous years which have already been earmarked for specific schemes. The council monitors these resources over a rolling period by continually updating projections and comparing these against the level of commitments within the approved Capital Investment Programme.

## Specific Reserves

Specific reserves will be used to support schemes directly related to the purpose of the reserve or to support corporate priorities. Specific reserves relate to the refurbishment and maintenance of properties managed by the Brighton and Hove Seaside Community Homes with the costs being met in accordance with the housing agreement. A contribution from the New England House (NEH) Redevelopment Reserve will also support bringing forward the NEH Redevelopment project. The Brighton Centre Redevelopment Reserve will support essential maintenance works at the Brighton Centre. The Madeira Terrace crowdfunding reserve supports the Madeira Terraces development.

The property dilapidations reserve will support some commercial property repairs. The Surface Water Management Reserve will provide some funding toward the Water Level Protection Transport scheme. A contribution from the Sports Facilities reserve will support maintenance works at Prince Regent. Finally, the Income Leaseholder and Earmarked Rent reserves will support delivery of the HRA Capital Investment programme.

## External Contributions

The council will utilise external contributions totalling £7.714m in 2023/24 associated with donations, partner and private contributions including S106 contributions. Contributions are forecast for the Brighton Museum and Art Gallery Works of £1.463m from Arts Council England. S106 contributions are forecast for the Kingsway to the Sea development, Withdean Sports complex 3G and soft play development, Stanmer pond restoration, the playground refurbishment programme. There are also commuted sums associated with the Home Purchase Policy for the HRA of £4.3m

## Direct Revenue Funding

The General Fund and Housing Revenue Account budget proposals include direct revenue funding of £20.051m. A summary of the allocations by service is shown in the table below.

| **TABLE 3: Direct Revenue Funding 2023/24** | **£ million** |
|---|---|
| Schools Services - Structural maintenance for schools | 0.500 |
| City Environment Management – Playground Refurbishment Programme | 0.175 |
| Culture, Tourism and Sports - Prince Regent Mechanical Equipment Replacement | 0.064 |
| Culture, Tourism and Sports – Withdean Sports Complex 3G Development & Sports Soft Play Development | 0.031 |
| **Total General Fund Services** | **0.770** |

| **TABLE 3: Direct Revenue Funding 2023/24** | **£ million** |
|---|---|
| Housing Revenue Account | 19.281 |
| **Grand Total** | **20.051** |

**Council Borrowing under the Prudential Code**

Council borrowing under the Prudential Code can be undertaken only when it can be demonstrated that it is affordable, for example, where the investment leads to greater efficiency in future service provision and generates revenue savings or reductions in budgeted spend. For 2023/24 it is proposed that the council will undertake borrowing of £114.234m to finance capital expenditure plans as detailed in table 4.

| **TABLE 4: Council Borrowing in 2023/24** | **£ million** |
|---|---|
| ***Housing, Neighbourhood & Communities*** | |
| Housing Revenue Account – 2023/24 new borrowing | 31.187 |
| Housing Revenue Account – 2022/23 reprofiled schemes | 27.614 |
| Accommodation for Supported Housing Delivery | 3.000 |
| Brighton & Hove Warmer Homes Investment Fund | 1.480 |
| ***Health & Adult Social Care*** | |
| Knoll House Resource Centre Supported Housing | 2.000 |
| ***Families, Children & Learning*** | |
| Cardinal Newman 4G Pitch & Changing Rooms | 1.850 |
| Brighton Youth Centre project | 2.100 |
| ***Economy, Environment & Culture***<br>*City Environment Management* | |
| Replacement Programme Vehicles | 2.500 |
| Pavilion and Mess Room Refurbishment Programme | 0.350 |
| Playground Refurbishment Programme 2021-25 | 0.070 |
| Parks and Open Spaces Investment | 0.967 |
| Public Conveniences | 0.090 |
| On Street and Communal Bin Infrastructure | 0.500 |
| Hollingdean Deport Office Accommodation and Site Surface | 2.582 |
| Stanmer Park Offices and Road Repairs | 0.320 |
| *City Development & Regeneration* | |
| Carbon Neutral 2030 Investment Fund projects | 9.100 |
| Madeira Terrace Development Implementation Works | 5.600 |
| Black Rock Enabling Works | 2.000 |
| *Culture, Tourism & Sport* | |

| | |
|---|---|
| Library at Saltdean Lido | 0.700 |
| Kingsway to the Sea | 1.447 |
| King Alfred Main Pool Reinforcement | 0.650 |
| Seafront Railings and Shelters Upgrade | 0.180 |
| *Transport* | |
| Street Lighting Invest to Save Scheme | 0.810 |
| Seafront Heritage Lighting Renewal Programme | 1.050 |
| Brighton Bikeshare Replacement Programme | 1.000 |
| Covered Cycle Racks | 0.099 |
| Citywide Strategic Transport Model | 0.800 |
| Valley Gardens Phase 3 | 0.144 |
| Hove Station Footbridge | 0.250 |
| School Streets | 0.050 |
| Climate Assembly Action Capita Invdestment Transport | 1.000 |
| *Property* | |
| Workstyles Phase 4 including Office Accommodation Strategy | 0.700 |
| Commuity Asset Transfer Policy | 0.210 |
| Carbon Reduction in Operational Buildings | 1.000 |
| Planned maintenance for Corporate and Social Care Buildings | 2.500 |
| Planned Maintenance for Corporate Buildings 2022/23 reprofiled | 0.667 |
| ***Finance & Resources*** | |
| IT&D Fund and Investment for Desktop and Laptop Replacement Programme | 1.500 |
| Wide Area Network – The Link | 1.238 |
| Enterprise Resources Learning Programme | 4.795 |
| Replacement Learning Management System | 0.134 |
| **Total for Capital Programme** | **114.234** |

The borrowings in the above table are briefly described below:

- As part of the HRA business plan, borrowing will be used to support the delivery of new council housing and estate regeneration and funding of £27.614m was profiled from 2022/23 for investment in new build, conversions and repairs at various sites with a further £31.187m planned in 2023/24. The financing costs have been identified within the HRA capital financing revenue budget.
- Capital borrowing for £3.000m to support Accommodation for Supported Housing Delivery was agreed at Budget Council in 2022 Capital Investment Programme. Plans are due to be brought back to this committee. Funding for the borrowing costs have been incorporated into the revenue budget.

- A total sum of £8.0m was identified to support the Brighton & Hove Warmer Homes Investment Fund. A sum of £1.480m of this budget has already been allocated in 2023/24 with balance profiled over the following 3 years to 2026/27. Funding for the borrowing costs have been incorporated into the revenue budget.
- The Knoll House Resource Centre scheme involves the demolition and new build of a 3-storey Supported Housing service on the site of the Knoll House care home. A capital programme budget up to a maximum of £10.500m for the delivery of a Supported Housing service is be financed through capital borrowing and a Homes England bid (or the difference between £10.500m and the sum released by Homes England as agreed at Policy & Resources Committee on 1 July 2021). The council is awaiting confirmation of the grant bid and will report back the business plan and bid details this financial year.
- Cardinal Newman has approval for investment of £1.850m into a new 4G pitch and changing rooms as at October 2022. The development is now due to go ahead in 2023/24. The financing costs are built into the schools business plan.
- An investment of £2.100m to support investment in youth services had been included in the 2021/22 Capital Investment Programme to provide match-funding for the Brighton Youth Centre project. Further details on the investment will be reported back to this committee.
- An annual provision of £2.500m for replacement of vehicles is built into City Environment Management's operational budget. This includes replacement refuse collection and street cleansing vehicles for Cityclean and the potential replacement of miscellaneous waste and parks vehicles during the year if this proves to be the most cost-effective route for procurement. These assets may be currently provided through operational leases and paid for through the relevant service revenue budget.
- Pavilion and Mess Room Refurbishment Programme. A total refurbishment programme of £3.000m between 2022/23 and 2025/26 is required to address historic underinvestment in parks pavilion and mess rooms for staff. A sum of ££0.350m is identified for 2023/24
- Playground Refurbishment Programme 2021-25 for a total investment of £2.447m has been reported to this Committee. A total of £0.275m is required for the reminder of the project with £0.070m financed through borrowing. The financing cost are being met through the corporate budget as detailed in the report
- Parks and Open Spaces Investment has a total of £3.5m over the next three years to support parks, playgrounds and tree planting. A sum of £0.967m is forecast this financial year with the remainder over the next two years. The financing costs for the new investment has been built into the revenue budget
- The Public Conveniences investment plan sets out a programme of £3.271m investment between 2022/23 to 2025/26. For 2023/24 a proportion of borrowing is required to support the Changing Places grant funded scheme that will be completed this year with the remainder of investment for 2024/24 and 2025/26
- A total of £1.250m has been provided to support the On Street and Communal Bin Infrastructure programme. This will commence in 2023/24 through to 2025/26 and a forecast amount of £0.500m is required in this financial year.
- A sum of £2.0m has been corporately provided for urgent health and safety works at Hollingdean Depot Office Accommodation and a further £1.0m for the depot site

surface also provided. The majority of the accommodation works will complete in 2023/24 and the site surface works will complete in 2024/25.

- A sum of £0.150m was provided for works at the Stanmer Park offices and a further £0.200m for road repairs. This investment supports the completion of the Stanmer Park restoration project alongside the Heritage Lottery Fund programme of works. A total of £0.320m is required for 2023/24.
- The Carbon Neutral 2030 Investment Fund includes an allocation of £1.000m toward support carbon reduction investment in operational buildings as well as providing funding to departments for projects that meet a number of council sustainability priorities. Bids for this funding were approved through the Members Oversight Group and funding was released to individual schemes in July 2022 and October 2022. The majority of these schemes are reprofiled into 2023/24 The financing costs have been built into the revenue budget. The buildings operational budget will be met from service departments and potentially savings generated as a result of the investment.
- The Madeira Terrace Development is supported by borrowing of £5.600m financed from revenue budget approved at previous year's Budget Councils. Commencement of work on the development is expected in 2023/24 following a thorough design and procurement exercise..
- The Black Rock Enabling Works was awarded Local Growth Fund grant of £12.111m awarded to the redevelopment of the Black Rock site. Following a full design and cost exercise borrowing of £3.900m is required to enable the project to complete. The majority of the works were completed in 2022/23 but requires the remaining budget to complete during 2023/24.The works include sea wall replacement, marina pedestrian connection, public transport infrastructure for the marina link, traffic improvements, public realm and refurbishment and repairs to the Reading Room and the Temple. The financing costs are expected to be met from income generated at the site.
- The contribution to the replacement library at Saltdean Lido was approved at Policy Resources & Growth Committee in February 2017 and has been reprofiled into 2023/24. The financing costs of this investment are reflected in the Medium Term Financial Strategy. There was a further £2.000m approved for the Saltdean Lido renovation project within the 2021/22 and 2022/23 Capital Investment Programme as reported to P&R Committee on 9 July 2020
- The Kingsway to the Sea project was approved at December 2021 P&R Committee and an update was provided in July 2022. The £12.990m project included £2.147m of service borrowing funded through increased revenue streams. A sum of £1.447m is estimated to be required in 2023/24
- New investment into the Sport and Leisure services swimming pools repairs and maintenance includes £0.650m into the reinforcement of the King Alfred main pool. The financing costs have been built into the revenue budget.
- Investment into seafront railings and beach shelters upgrades was approved at last year's budget council and a balance of £0.180m remains this financial year. The financing costs have been built into the revenue budget.
- The Street Lighting invest-to-save proposal was presented to the former Policy, Resources & Growth Committee on 8 December 2016 and plans to use borrowing to implement the application of new energy efficient LED lighting technologies as well as the application of the latest British and European Road Lighting Standards

and control systems. This will generate energy and carbon reduction savings. Net revenue savings from the street lighting and electricity budget will contribute to the cost of borrowing.

- A total of £2.1m investment for the seafront heritage lighting renewal programme for 2022/23 to 2024/25 has been provided. Further match funding is likely with grant contributions being explored and likely LTP match funding required. An estimated £1.050m borrowing will be required for 2023/24..
- The Brighton Bikeshare procurement options report presented to the 3 December 2020 P&R Committee approved the reinvestment of surplus revenue from the bikeshare scheme received by the council into service borrowing to support fleet replacement programme. A total of £1.000m is required in 2023/24.
- Covered cycle racks investment supports the city's sustainable transport priorities. A sum of £1.0m was allocated with the balance of £0.099m required to complete the scheme in 2023/24.
- City Wide Strategic Transport Model to support business case for a major new policy work and scheme development across the city. The financing costs for the new investment has been built into the revenue budget.
- The Valley Gardens phase 3 project has received £6.0m of Local Growth Funding and requires Local Transport Plan match funding and corporate borrowing of up to £2.0m in total. Work will continue into 2023/24 and 2024/25 with some drawdown of borrowing forecast for 2023/24.
- Investment of £0.500m for repairs to the Hove Station footbridge was identified in 2022/23. A sum of £0.250m is set aside for this financial year with the remainder profiled for 2024/25.
- School Streets transport project supports the city's corporate sustainability and transport priorities. The project is funded primarily for Local transport Contributions with some additional borrowing which will fall into this financial year.
- A sum of £1.404m was allocated toward the Climate Assembly Action Capital Investment in transport to help achieve the outcomes of the Climate Assembly. The list of schemes were reported to P&R committee in July 2021 and included such things as car free city, improved public transport; pedestrianised communities and mobility hubs. The schemes are forecast to continue into 2023/24.
- The Workstyles Phase 4 budget is funded through the Asset Management Fund cannula contributions. The budget is now met from borrowing through approved switching of funds to support the modernisation programme in previous years. This budget will support the modernisation programme and the Office Accommodation Strategy and has been reprofiled from previous years to support the planned timetable of Workstyle corporate projects.
- Funding was approved at Budget Council in 2021/22 to provide a match funding pot for organisations seeking to make use of the Community Asset Transfer Policy.
- Borrowing to support the Planned Maintenance Budget has been increased to £2.0m in 2023/24 to support the essential maintenance pressures for corporate and civic buildings. Social Care operational buildings have an annual allocation of £0.500m . The revenue costs for the borrowing have been addressed within the Medium Term Financial Strategy. The borrowing includes some reprofiled schemes from 2022/23.

- An annual allocation of £1.000m is allowed for investment into the IT&D fund of which £0.500m is funded from capital receipts and the remaining £0.500m is met from borrowing. A further £1.000m is specifically allocated toward the laptop and desktop replacement programme. The financing costs of this investment are reflected in the Medium Term Financial Strategy
- The implementation of the Wide Area Network (the Link) was reported to P&R Committee on 9 July 2020 and was estimated to cost up to £2.500m. The WAN contract came to an end in December 2021. The remaining budget has been profiled into 2023/24 when the works will be completed.
- The replacement Enterprise Resources Learning Programme was reported to P&R Committee in October 2022. This relates to the initial design and review phase with the implementation phase to be approved at this committee at a later date following the completion of the business case. Spend is forecast to commence in 2023/24.
- Replacement Learning Management System will be completed in 2023/24 and was reported to committee in October 2022.

**ANNEX B**

## List of current non-treasury Investments

This list is reviewed on an on-going basis by finance officers to ensure risks are monitored and updates are escalated through the Strategic Delivery Board and Corporate Investment Board where required:

| Investment Type | Scheme Name | Value |
|---|---|---|
| Investment Property Portfolio | Urban & Agriculture Property Portfolios | £273.915m* |
| Loan to external body | i360 Company | £44.161m |
| Loan to external body | The Wave Community Bank (formerly ESCU) | £0.250m |
| Loan to external body | Royal Pavilion and Museums Trust | £2.000m |
| Financial Guarantee | Brighton & Hove Seaside Community Homes | £1.156m** |
| Housing Property Joint Venture | Brighton & Hove | £9.408m*** |

* Value as at 31 March 2022

** Estimated value of debtor at 31 March 2023

*** This will be fully repaid by 31 March 2023

**Appendix 2**

**ANNEX C**

## List of planned non-treasury Investments

This list is reviewed on an on-going basis by finance officers to ensure risks are monitored and updates are escalated through the Strategic Delivery Board and Corporate Investment Board where required:

| Investment Type | Scheme Name | Value |
|---|---|---|
| Cash flow support (third party loan) | Cash flow support to Royal Pavilion Museums Trust | £2.000m |

**Appendix 3**

# TREASURY MANAGEMENT POLICY AND STRATEGY 2023/24

## CONTENTS


1. **INTRODUCTION**
1.1. Background
1.2. Reporting Requirements
1.3. Treasury Management Strategy for 2023/24
1.4. Treasury Management Policy Statement
1.5. Current Portfolio Position

**2. BORROWING STRATEGY**
2.1. General Fund Borrowing Position and Strategy for 2023/24
2.2. Housing Revenue Account Borrowing Position and Strategy for 2023/24
2.3. Policy on Borrowing in Advance of Need
2.4. Debt Rescheduling
2.5. Interest Rate Risk & Continual Review

**3. MINIMUM REVENUE PROVISION POLICY STATEMENT**

**4. ANNUAL INVESTMENT STRATEGY**
4.1. Annual Investment Strategy for 2023/24
4.2. Investment Policy – Management of Risk
4.3. Sovereign Credit Ratings
4.4. Creditworthiness Policy
4.5. Other Limits
4.6. Approved Methodology for adding & removing counterparties
4.7. Investment Risk Benchmarking

**5. OTHER TREASURY MATTERS**
5.1. Banking Services
5.2. Training
5.3. Policy on the use of External Service Providers
5.4. Lending to Third Parties
5.5. Updates to Accounting Requirements
5.6. Updates to Treasury and Prudential Codes

**ANNEXES:**
Annex A Counterparty List
Annex B Economic Overview & Prospect for Interest Rates
Annex C Prudential & Treasury Indicators
Annex D Scheme of Delegation

# 1 INTRODUCTION

## *1.1 Background*

The council is required to set a balanced budget, which broadly means that cash raised and received during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Cash can often be set aside (e.g. reserves) or received ahead of when it is required, for example, government capital grant funding, and therefore cash balances are invested in counterparties or instruments commensurate with the council's risk appetite, and always prioritising adequate liquidity before considering investment return.

The second main function of the treasury management service is the funding of the council's capital plans. These capital plans provide a guide to the borrowing need of the council, essentially the longer-term cash flow planning, to ensure that the council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn down may be restructured to meet council risk or cost objectives.

The contribution that the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity and the ability to meet spending commitments as they fall due, either on day-to-day revenue spending or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from holding reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a direct loss to the General Fund.

CIPFA defines treasury management as:

*"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities (arising usually from capital expenditure) and are separate from the day-to-day treasury management activities.

## *1.2 Reporting Requirements*

### *1.2.1 Capital Strategy*

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
- an overview of how the associated risks are managed;
- the implications for future financial sustainability.

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

This Capital Strategy is reported separately from the Treasury Management Strategy Statement with non-treasury investments being reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy-driven and commercial investments usually driven by expenditure on an asset.

### *1.2.2 Treasury Management reporting*

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

**a. Prudential and treasury indicators, and treasury strategy** (this report) - The first, and most important report, is forward looking and covers:

- the capital investment plans, (including prudential indicators);
- a Minimum Revenue Provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
- the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
- an Annual Investment Strategy, (the parameters on how investments are to be managed).

**b. A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.

**c. An annual treasury management report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

*This Council delegates responsibility for implementation and monitoring of treasury management to the Policy & Resources Committee (P&R) and responsibility for the execution and administration of treasury management decisions to the Section 151 Officer. P&R therefore receives the mid-year report in December and the annual report in July each year.*

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Policy & Resources Committee.

**Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised.

This role is undertaken by the Policy & Resources Committee and will be incorporated into TBM5 and TBM9 monitoring reports presented in October and February of each year, with the other quarters already being fulfilled by the mid-year and annual end of year reports.

### *1.3 Treasury Management Strategy for 2023/24*

The strategy for 2023/24 covers two main areas:

#### *1.3.1 Capital issues:*

- the capital expenditure plans (section 2) and the associated prudential indicators (Annex C);
- the minimum revenue provision (MRP) policy (Section 3).

#### *1.3.2 Treasury management issues:*

- the current treasury position (section 1.5);
- treasury indicators which limit the treasury risk and activities of the council (Annex C);
- prospects for interest rates (Annex B);
- the borrowing strategy (section 2);
- policy on borrowing in advance of need (section 2.3);
- debt rescheduling (section 2.4);
- the investment strategy (section 4);
- creditworthiness policy (section 4.4); and
- the policy on the use of external service providers (section 5.3).

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, DLUHC MRP Guidance, the CIPFA Treasury Management Code and DLUHC Investment Guidance.

### *1.4 Treasury Management Policy Statement*

The policies and objectives of the council's treasury management activities are as follows:

i) This council defines its treasury management activities as:

*'The management of the authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks'.*

ii) This council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the council, and any financial instruments entered into to manage these risks.

iii) This council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury

management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

### *1.5 Current Treasury Portfolio Position*

A summary of the council's borrowing & investment portfolios as at 31 December 2022 and forecast at the end of the financial year is shown in **Table 1** below:

| Table 1 | Actual at 31 December 2022 | | | Forecast to 31 March 2023 | | |
|---|---|---|---|---|---|---|
| | £'000 | % of portfolio | Average Rate* | £'000 | % of portfolio | Average Rate |
| **Treasury Investments** | | | | | | |
| UK Banks | 96.500 | 43.3% | 3.13% | 72,500 | 40.0% | 3.33% |
| Non-UK Banks | 55,000 | 24.7% | 2.54% | 40,000 | 22.0% | 2.94% |
| Building Societies | 0 | 0 | 0 | 0 | 0 | 0 |
| Local Authorities | 29,000 | 13.0% | 1.69% | 29,000 | 16.0% | 1.69% |
| Money Market Funds (Including VNAV) | 32,437 | 14.5% | 3.32% | 30,000 | 16.5% | 4.00% |
| Royal London Funds** | 10,000 | 4.5% | -7.55% | 10,000 | 5.5% | -7.55% |
| **Total Investments** | **222,937** | **100.0%** | **2.32%** | **181,500** | **100%** | **2.49%** |
| **Borrowing** | | | | | | |
| PWLB loans | 349,266 | 88.6% | 2.90% | 349,266 | 88.6% | 2.90% |
| Market loans | 45,000 | 11.4% | 4.45% | 45,000 | 11.4% | 4.45% |
| Local Authorities | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total external Borrowing** | **394,265** | **100.0%** | **3.07%** | **394,265** | **100.0%** | **3.07%** |

**average rate is taken as a snapshot as at 31 December 2022*
***The Royal London Funds show a negative return as a result in a decline in capital value because fixed income funds such as these reduce in value in a rising interest rate market. The council is still receiving an appropriate level of revenue income from these funds, and the decline in capital value is expected to be short term and therefore not expected to result in an actual capital loss.*

## 2 BORROWING STRATEGY

The capital expenditure plans set out in the Capital Strategy provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Any capital investment that is not funded from new and/or existing resources (e.g. capital grants, receipts from asset sales, revenue contributions or earmarked reserves) increases the council's need to borrow, represented by the council's Capital Financing Requirement (CFR). However, external borrowing does not have to take place immediately to finance its related capital expenditure: the council can utilise cash being held for other purposes (such as earmarked reserves and working capital balances) to temporarily defer the need for external borrowing. This is known as 'internal borrowing' or 'under-borrowing'.

The council's primary objective is to strike an appropriate balance between securing cost certainty and securing low interest rates.

The council operates a two-pool approach for borrowing following the HRA Self Financing regime introduced in March 2012.

### *2.1 Capital Prudential Indicators*

The Authority's capital expenditure plans are a key driver for Treasury Management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Tables 2, 3 and 4 show the capital expenditure plans of the Authority, and the implications of these on the Capital Financing Requirement over the 3-year period to 2025/26. These indicators have been included in the Treasury Management Strategy for a number of years to demonstrate the affordability and sustainability of the Authority's capital activity.

A further prudential indicator required by the 2021 code for 2023/24 is the Liability Benchmark. This benchmark measures the Authority's external debt levels net of the external investments, with the inclusion of a liquidity buffer against the Authority's CFR projection. This measure assumes that the authority will internally borrow almost all its available cash held in reserves and balances, with an allowance ensure it is able to meet is cash obligations.

There are four components to the Liability Benchmark: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.

2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.

3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.

4. **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark has been produced for the General Fund and HRA separately, and are shown below in sections 2.2.2 & 2.3.2 with notes to explain each element and the Authority's assumption and forward view.

### *2.2 General Fund Borrowing Position and Strategy*

The General Fund has been carrying an internal borrowing position (i.e. where the General Fund borrows cash from its own reserves) for a number of years. In response to a combination of the prior expectation of increasing interest rate forecasts, the reduction of certain reserves and historically low PWLB borrowing rates, the General Fund entered into planned borrowing from the PWLB to reduce the internal borrowing position in preparation for it increasing again during the period where high interest rates are expected.

Table 2 below demonstrates that the General Fund has a borrowing need of £39m to support the 2022/23 capital programme. During the year £25m of external borrowing has been undertaken for the General Fund. This external borrowing funds the planned borrowing within the capital programme and maintains the expected General Fund internal borrowing position.

There isn't expected to be any further external borrowing required in 2022/23.

### *2.2.1 General Fund Borrowing Strategy for 2023/24*

The General Fund (GF) capital programme 2023/24 to 2025/26 forecasts a total of £270m capital investment, £134m of which will be met from existing or new resources, and £4m of which financing has not yet been identified. The increase in the GF borrowing need over this period is therefore £132m as shown in **Table 2** below.

| 2022/23 Projected | Table 2 – Borrowing Requirement | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | Total |
|---|---|---|---|---|---|
| £m | | £m | £m | £m | £m |
| 88 | GF Capital Expenditure | 120 | 107 | 43 | 270 |
| | **Financed by:** | | | | |
| (49) | New & existing resources | (64) | (53) | (17) | (134) |
| - | Financing not yet identified | - | (2) | (2) | (4) |
| **39** | **GF Borrowing Need** | **56** | **52** | **24** | **132** |

Of the £132m borrowing need shown, £48m is for projects that are awaiting approval or detailed analysis. Therefore, the timing of borrowing is uncertain, and borrowing decisions for these projects will form part of the viability and due diligence process.

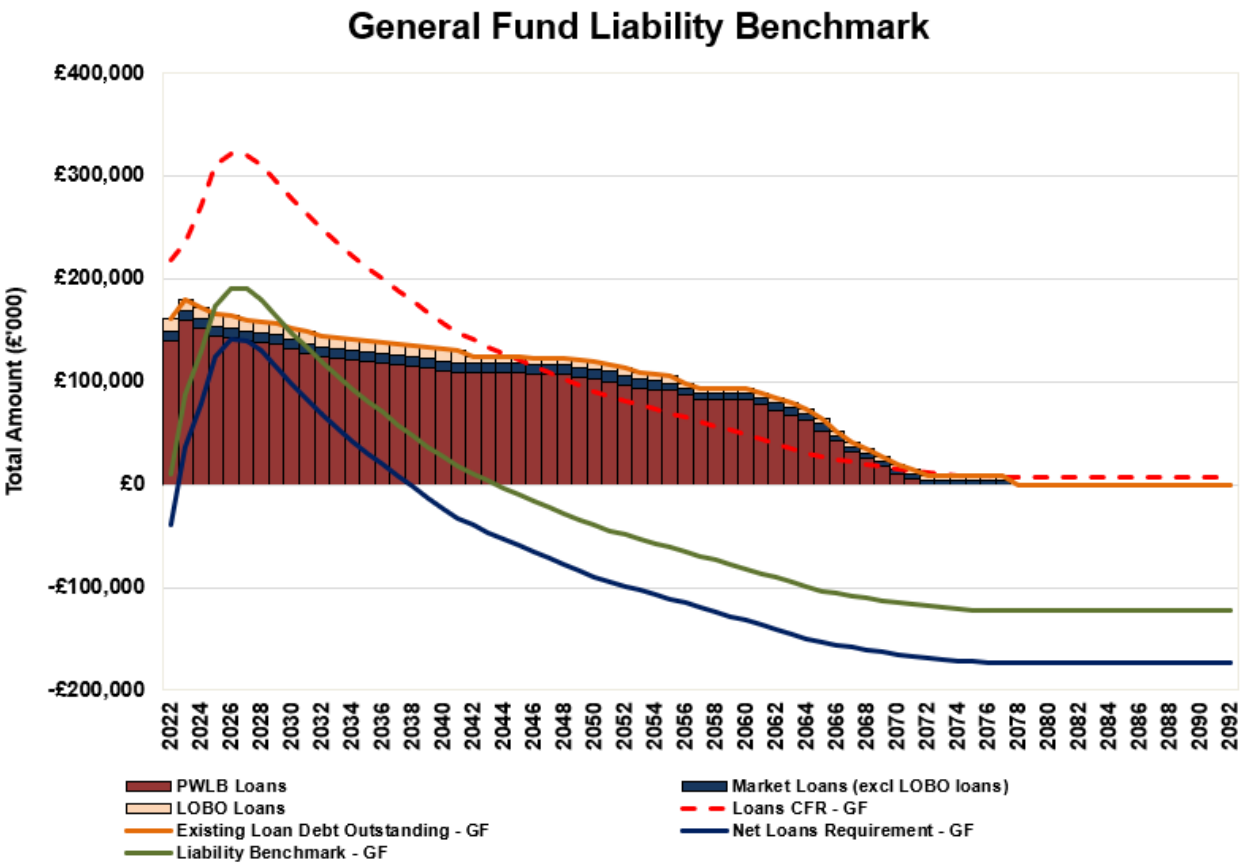
For the remaining borrowing need, the strategy will initially focus on meeting this borrowing need from internal borrowing. i.e. avoiding external borrowing by utilising the council's own surplus cash flows.

Officers continually review the level of internal borrowing that the General Fund is able to support in the context of prevailing and forecast interest rates, economic outlook and the expected movement in reserves. Modelling of the movement of reserves and the council's capital expenditure plans demonstrates that the General Fund's long-term reserves and balances can support a level of approximately £75m of internal borrowing in the medium term. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the council's investment portfolio by reducing the portfolio size.

The internal borrowing position needs to be carefully and continually reviewed to avoid incurring higher borrowing costs in the future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

### *2.2.2 General Fund Liability benchmark*

The Liability Benchmark graph for the General Fund is shown below:




1) ***External Debt –*** *The maturity profile of the current portfolio of general fund external debt is shown by the bars. The debt has a fairly gradual maturity profile which means that there are no requirements to pay back large amounts of debt in any one year.*

2) ***Loans CFR –*** *This is the projections of the general fund's underlying borrowing requirement (or CFR) based on the current capital plans, and is shown by the top, red line. The 2022/23 opening Loans CFR was £219m, and it is expected to peak at £322m in 2025/26. This only shows the Loans CFR projection based on the current capital programme of the council, therefore if ongoing borrowing is required beyond 2027/28 then the CFR would rise further and for longer.*

3) ***Net Loans Requirement –*** *The expected net treasury position is shown by the bottom blue line. This shows a projection of the loans requirements measured by opening external debt for 2022/23 less the opening external investments for 2022/23. The projections are then based on the expected borrowing within the capital programme and the expected movement in reserves and balances, and shows the borrowing requirement if the Council were to utilise all of its reserves and balances for internal borrowing. This shows that the general fund had more external investments than external debt as at 31/03/22. Based on the current forecast, the net loans requirement peaks in 2026/27, but never above the current level of external borrowing. This suggests that if reserves and balances are fully utilised for internal borrowing, the current external borrowing portfolio is sufficient to sustain the current capital plans.*

4) ***Liability Benchmark –*** *The liability benchmark shows the Net Loan Requirement, but with a buffer of £50m incorporated to ensure the general fund has sufficient cash to meet its cash obligations. This measure shows the level to which the council can internally borrow based on the projection of the capital programme, movement of reserves and allowing for a liquidity buffer. Where the liability benchmark rises above the current debt portfolio, this shows a need for external borrowing, and where the benchmark reduces back below the current portfolio, it shows that the council will be over-borrowed based on current plans.*

*This graph demonstrates that the general fund may not need to externally borrow until 2024/25, and that the external borrowing requirement will peak at £190m in 2026/27, before falling. The graph also shows that based on current plans, new borrowing will be required until 2029/30, so a shorter period than the Council historically borrows for.*

*Whilst the Liability Benchmark is a good indicator of the general fund's direction of travel in terms of borrowing need, it assumes that capital borrowing stops after the current capital planning period and ignores future borrowing beyond the planning period. Therefore, it should not be used in isolation when making long term decisions, but as part of a range of factors.*

### *2.3 Housing Revenue Account (HRA) Borrowing Position and Strategy*

The Housing Revenue Account (HRA) carries a fully funded borrowing position (i.e. the HRA does not borrow from its own reserves, but instead undertakes borrowing for its entire borrowing requirement). Table 3 demonstrates that the HRA has a borrowing need of £39m to support the capital programme in 2022/23. A total of £25m of new borrowing has been undertaken during 2022/23, and £55m in 2021/22. This results in the HRA temporarily being over-borrowed, as borrowing in advance of need has occurred in order to take advantage of attractive interest rates in a rising interest rate environment.

#### *2.3.1 HRA Borrowing Strategy for 2023/24*

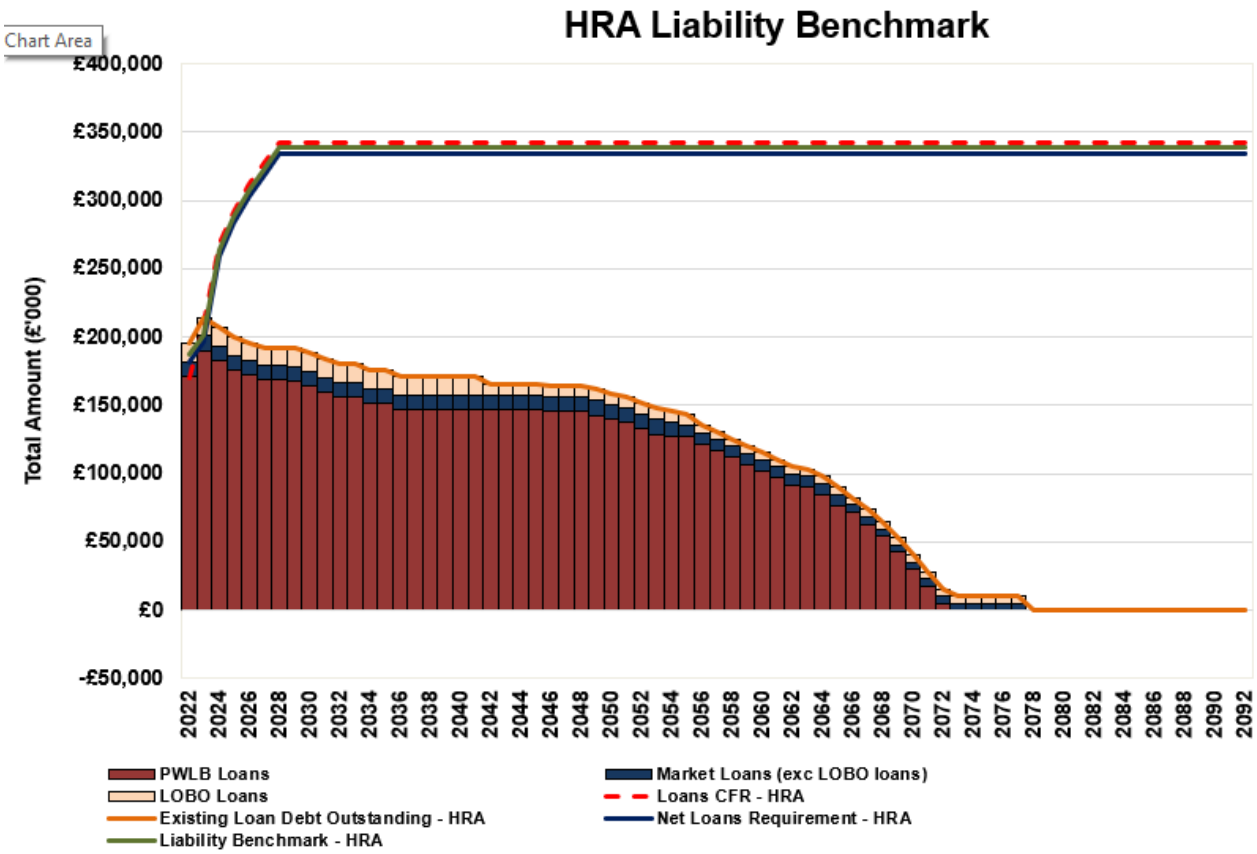
The HRA Capital Programme 2023/24 to 2025/26 forecasts a total £183m of capital investment over the next three years with £80m met from existing or new resources. The increase in the HRA's borrowing need over this period is therefore £103m as shown in **Table 3** below. It is expected that this borrowing need will be met from a combination of borrowing externally (some of which has already been undertaken in advance of need) and from the General Fund. The extent to which the HRA can borrow from the General Fund is dependent on the level of liquid resources the General Fund has available to lend to the HRA and additionally will depend on the view of interest rate prospects:

- If it is considered that there is a significant likelihood of reducing long term interest rates, long term borrowing should be postponed;
- If it is considered that there is a significant risk of sharply increasing long term interest rates, long term borrowing should be considered.

| 2022/23 Projected | Table 3 – HRA Borrowing Requirement | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate | Total |
|---|---|---|---|---|---|
| £m | | £m | £m | £m | £m |
| 81 | HRA Capital Expenditure | 92 | 50 | 41 | 183 |
| | **Financed by:** | | | | |
| (42) | New & existing resources | (33) | (26) | (21) | (80) |
| **39** | **HRA Borrowing Need** | **59** | **24** | **20** | **103** |

#### *2.3.2 HRA Liability Benchmark*

The Liability Benchmark graph for the HRA is shown below:




5) ***External Debt –*** *The maturity profile of the current portfolio of HRA external debt is shown by the bars. The debt has a fairly gradual maturity profile which means that there are no requirements to pay back large amounts of debt in any one year.*

6) ***Loans CFR –*** *This is the projections of the HRA's underlying borrowing requirement (or CFR) based on the current capital plans, and is shown by the top, red line. The 2022/23 opening Loans CFR was £170m, and it is expected to peak at £343m in 2027/28. This only shows the Loans CFR projection based on the current capital programme of the council, therefore if ongoing borrowing is required beyond 2027/28 then the CFR would rise further. The CFR is maintained at £343m as the HRA is not required to set aside MRP, and the current assumption is that the HRA will re-finance maturing debt. This strategy is subject to review, depending on the expectation of the long-term borrowing need in the HRA capital programme.*

7) ***Net Loans Requirement –*** *The expected net treasury position is shown by the bottom blue line. This shows a projection of the loans requirements measured by opening external debt for 2022/23 less the opening HRA reserves for 2022/23. The projections are then based on the expected borrowing within the capital programme and the expected movement in reserves and balances, and shows the borrowing requirement if the HRA were to utilise all of its reserves for internal borrowing. This line tracks very closely to the Loans CFR due to the borrowing requirement being proportionality high compared to the HRA reserves.*

8) ***Liability Benchmark –*** *The liability benchmark shows the Net Loan Requirement, but with a buffer of £5m incorporated to ensure the HRA has sufficient cash to meet its cash obligations. This measure shows the level to which the HRA can internally borrow based on the projection of the capital programme, movement of reserves and allowing for a liquidity buffer. The HRA liability benchmark demonstrates that the HRA needs to externally borrow for nearly all of it's borrowing requirement, which is the current strategy.*

*The graph demonstrates that the HRA has an ongoing external borrowing requirement to the extent of its CFR.*

### *2.4 Capital Financing Requirement*

**Table 4** below shows the actual expected external debt compared to the capital financing requirement over the next 3 years for both the General Fund and the HRA. This demonstrates that the HRA CFR is expected to be fully funded to 2025/26, and the General Fund is expected to maintain an under-borrowed position:

| 2022/23 Estimate | Table 4 | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate |
|---|---|---|---|---|
| £m | | £m | £m | £m |
| **General Fund** | | | | |
| 161 | GF Debt at 1 April | 180 | 196 | 236 |
| 19 | Expected change in Debt | 16 | 40 | 10 |
| **180** | **GF Debt at 31 March** | **196** | **236** | **246** |
| 219 | GF CFR* at 1 April | 236 | 273 | 312 |
| 39 | Borrowing need (Table 2) | 56 | 52 | 24 |
| (22) | MRP | (19) | (13) | (14) |
| **236** | **GF CFR* at 31 March** | **273** | **312** | **322** |
| **56** | **Under / (Over) borrowing** | **77** | **76** | **76** |
| **23.7%** | **% Under borrowed** | **28.2%** | **24.3%** | **23.6%** |
| **Housing Revenue Account** | | | | |
| 195 | HRA Debt at 1 April** | 214 | 268 | 292 |
| 19 | Expected change in Debt | 54 | 24 | 20 |
| **214** | **HRA Debt at 31 March** | **268** | **292** | **312** |
| 170 | HRA CFR at 1 April | 209 | 268 | 292 |
| 39 | Borrowing need (Table 3) | 59 | 24 | 20 |
| 0 | MRP | 0 | 0 | 0 |
| **209** | **HRA CFR at 31 March** | **268** | **292** | **312** |
| **(5)** | **Under / (Over) borrowing** | **-** | **-** | **-** |

* *GF CFR in Table 4 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C.*

### *2.5 Policy on Borrowing in Advance of Need*

The council will not borrow purely in order to profit from investment of sums borrowed in advance of need. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

### *2.6 Debt Rescheduling*

Officers continue to regularly review opportunities for debt rescheduling but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in far fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil long term treasury strategy aims;
- enhancing the balance of the portfolio (amending the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of the council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayment costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the S151 Officer.

### *2.7 Interest Rate Risk & Continual Review*

The council's total borrowing need of £235m is identified in **Tables 2 & 4.** This borrowing need, together with the debt at risk of maturity shown in **Table 5**, is the extent to which the council is subject to interest rate risk over the next three years.

| Table 5 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|
| | £m | £m | £m |
| Maturing Debt | 15 | 14 | 5 |
| Debt Subject to early repayments options | 15 | 10 | 10 |
| **Total debt at risk of maturity** | **30** | **24** | **15** |

Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing costs, the need to finance new capital expenditure, the need to refinance maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution needs to be exercised. The S151 Chief Finance Officer will therefore continue to monitor interest rates in financial markets and adopt a proactive approach to changing circumstances as follows:

- if it was considered that there was a significant risk of a forthcoming sharp fall in long- and short-term rates (e.g. due to a marked increase in the risk of relapse into recession or increasing risk of deflation), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short term borrowing will be considered;
- if it was considered that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, for example, arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that borrowing would be undertaken and fixed rate funding drawn on whilst interest rates are still lower than they are expected to be in the next few years.

## 3 MINIMUM REVENUE PROVISION POLICY STATEMENT

The council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the Minimum Revenue Provision - MRP). Department of Levelling Up, Housing and Communities (DLUHC) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are

available to councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. the estimated useful life of the asset being financed).

The Council is recommended to approve the following MRP Statement for 2023/24:

**For all debt where the government has provided revenue support (supported capital expenditure), the MRP policy will be:**

- Provision on a straight-line basis over 50 years.

**For all debt where the government does not provide revenue support:**

- Where the debt relates to an asset, the council will set aside a sum equivalent to repaying the debt over the life of the asset either in equal instalments or on an annuity basis over a maximum life of 50 years. The method to be adopted will be determined according to which is 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 the debt over a period consistent with the nature of the expenditure on an 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 repayments of principal will be set aside as capital receipts to finance the initial capital advance in lieu of making a MRP.

- Where the debt relates to the i360 Limited, the council will set aside MRP on an annuity basis over the shorter of the remaining asset life or remaining loan period.

**Where the debt relates to the Living Wage Joint Venture:**

- Where the Living Wage Joint Venture develops housing but disposes of these assets on completion, the council will set aside the capital receipt at the point of transfer in lieu of making an MRP payment.

- Where the Living Wage Joint Venture develops or acquires housing and retains these assets and future rental streams, the council will set aside, in equal instalments, a sum which is equivalent to repaying the debt at the end of year 40 within the 60 year business plan. Set aside will commence, at the latest, in the year in which net surpluses are modelled for each individual tranche of borrowing.

**For on-balance sheet PFI schemes and leases, the MRP policy will be:**

- Asset Life Method (annuity method) - the MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase

over the life of the asset. Any related MRP will be equivalent to the "capital repayment element" of the annual charge payable.

There is the option to charge more than the prudential provision of MRP each year through a Voluntary Revenue Provision (VRP).

## 4 ANNUAL INVESTMENT STRATEGY

The DLUHC and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy (Appendix 2).

The council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments (the "Guidance");
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (the "Code");
- CIPFA Treasury Management Guidance Notes 2021.

***The council's investment priorities will be the security of capital first, portfolio liquidity second and then yield (return).*** *The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.*

### *4.1 Annual Investment Strategy for 2023/24*

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Greater returns are usually obtainable by investing for longer periods. However, based on the forecast of Bank Rate below, it is recommended that an "agile" investment strategy is recommended as an appropriate way of optimising returns.

While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is predicted that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments on short term or variable terms.
- Conversely, if it is predicted that Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

It is currently expected that the Bank Rate will increase further, but there is the prospect for Bank Rate to peak in the first half of 2023, and possibly reducing in the latter part of 2023. Link Asset Service's (LAS) Bank Rate forecasts for financial year ends (March) are:

| Year | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|
| Bank Rate | 4.25% | 4.00% | 3.00% | 2.50% |

Link Asset Service's (LAS) view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

The primary principle governing the council's investment criteria is the security of its investments but return on investment is also important. After this main principle, the council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

### *4.1.1 Approach for 2023/24*

Investment balances increased significantly between 2019/20 and 2021/22 due to a combination of an increase in PWLB borrowing, the short-term retention of certain COVID business grants received from the government, and an increase in cash balances managed on behalf of other organisations. This increase led to a change in the investment strategy monetary limits in 2022/23 to allow the strategy to cope adequately.

Investment balances have reduced, as expected, during 2022/23, as a result of some of the increases in cash being of a temporary nature.

The environment for investment has been more attractive during 2022/23 as a result of sharp increases in the Bank of England Base Rate as a reaction to inflationary pressures. The investments on returns have gradually been increasing over the year as maturing investments are rolled into new investments that reflect the increases in investment rates. The council's treasury advisors have provided their forecast for investment rates in Annex B. Investment rates are expected to rise further into 2023/24, before falling again from 2024/25.

In February 2021, £10.0m was invested across two short term bond funds managed by Royal London Asset Management. There has been a fall in the capital value during 2022/23 as a result to the increase in the bank rate. There is no impact on the council's income from these funds, and the current statutory override means that there is no impact on the council's budget as a result of this change in value. The investment time horizon is expected to be at least 3 years, and therefore we are expecting the capital value to recover before divesting from the funds.

### *4.1.2 Changes from 2022/23 Strategy*

There are no changes proposed to the 2022/23 Annual Investment Strategy.

### *4.2 Investment Policy – Management of risk*

The guidance from DLUHC and CIPFA outlined in 4.0 places a high priority on the management of risk. The Council has a prudent approach to managing risk and defines it's risk appetite by the following means:

i) Minimum acceptable credit criteria are applied in order to generate a list of high creditworthy counterparties. This also enables diversification and thus avoids a concentration of risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector

on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the council will engage with its advisors to monitor market pricing such as “credit default swaps” (CDS) and overlay that information on credit ratings.

iii) Other information sources used will include the financial press, share prices and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

iv) 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.

v) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.

a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 6.

b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. The limits and permitted instruments for non-specified investments are listed within Table 7.

vi) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).

vii) This authority will set limits for the amount of its investments:

a. which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C;

b. which are invested in any one sector (paragraph 4.5);

c. which are invested in any one counterparty within its relevant sector (paragraph 4.5).

viii) Investments in Non-UK Banks will only be placed with counterparties from countries with a specified minimum sovereign rating of AA (paragraph 4.3).

ix) Investments in UK banks will only be placed with counterparties with a minimum credit rating of BBB.

x) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

xi) All investments will be denominated in sterling.

xii) As a result of the change in accounting standards under IFRS 9, this Authority will consider the implications of investment instruments which could result in

an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.2023. The government has extended the implementation of IFRS9 until 31.03.2025.

xiii) The application of a risk benchmark (paragraph 4.7) to monitor the expected potential loss within the investment portfolio on an ongoing basis.

However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 4.78). Regular monitoring of investment performance will be carried out during the year.

### *4.3 Sovereign Credit Ratings*

For 2022/23 it is recommended to maintain the policy of lending to sovereign nations and their banks which hold at least an AA- credit rating. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

**AAA** Australia, Denmark, Germany, Netherlands, Singapore, Sweden & Switzerland
**AA+** Finland, Canada & United States,
**AA** France & United Arab Emirates

### *4.4 Creditworthiness Policy*

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.

**Table 6** below summarises the types of specified investment counterparties available to the council, and the maximum amount and maturity periods placed on each of these. A full list of the council's counterparties and the current limits for 2023/24 are appended at Annex A.

When assessing credit ratings to ascertain limits for each counterparty, the lowest short- and long-term ratings from each of the three ratings agencies is applied. For simplicity, the ratings for Standard & Poor's are used in the tables below.

#### *4.4.1 Criteria for Specified Investments*

All specified investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' rating criteria where applicable:

| Table 6 | Country/ Domicile | Minimum Capital Require-ments | Min. Credit Criteria (L/term / S/term) | Max Amount | Max. maturity period |
|---|---|---|---|---|---|
| Debt Management and Deposit Facilities (DMADF) | UK | N/A | N/A | unlimited | 6 months |
| UK Local Authorities | UK | N/A | UK Sovereign Rating | £20m per LA | 12 months |
| UK Banks – part nationalised* | UK | UK government must own majority shareholding | N/A | £30m | 12 months |
| UK Banks & credit rated Building Societies | UK | Must meet minimum credit criteria | AA- / A-1+ | £30m | 12 months |
| | | | A / A-1 | £20m | 12 months |
| | | | BBB / A-2 | £15m | 6 months |
| Banks – Non-UK | Those with sovereign rating of at least AA* | Must meet minimum credit criteria | AA- / A-1+ | £30m | 12 months |
| Non-rated Building Societies | UK | Must have an asset base of at least £5bn at the time of investment | N/A | £5m | 6 months |
| Money Market Funds (CNAV and LVNAV) | UK / Ireland / EU domiciled | Must meet minimum credit criteria | AAA | £20m per fund | Liquid |
| Ultra Short Dated Bond Funds | UK / Ireland / EU domiciled | Must meet minimum credit criteria | AA | £20m per fund | Liquid |

*See Paragraph 4.3 for full list of countries that meet these criteria

### *4.4.2 Lending to the council's operational banking service provider*

An additional operating limit of £2m and an additional investment limit of £5m will be provided for the council's provider of transactional banking services (currently Lloyds Bank plc). It is unavoidable that the £2m operational limit will be breached from time to time however, officers will endeavour to keep this to an absolute minimum.

### *4.4.3 Part-Nationalised Banks*

The council can lend up to £30m for up to 12 months to any bank in which the UK Government holds a majority shareholding regardless of the credit rating due to the implied government support of those entities. The Royal Bank of Scotland PLC & National Westminster Bank PLC are the two entities currently treated as part nationalised.

### *4.4.4 Non-Specified investments*

These are any other types of investment that are not defined as specified.

| Table 7 | Instrument Type | Minimum credit criteria (L/term / S/term) | Max. Amount 2021/22 | Proposed Max. Amount 2022/23 | Period |
|---|---|---|---|---|---|
| UK Local Authorities | N/A | N/A | £10m per LA | £20m per LA | 5 years |
| UK Banks & Non UK Banks | Fixed Deposits | AA+ / A-1+ | £25m | £30m | 3 years |
| | | AA- / A-1+ | £25m | £30m | 2 years |
| | Negotiable Instruments | AA- / A-1+ | £25m | £30m | 5 years |
| Short Dated Bond Funds | UK/Ireland/EU domiciled | Short Dated bond funds are not rated. A selection process will evaluate relative risks & returns. Security of the council's money and fund volatility will be key measures of suitability | £15m per fund | £15m per fund | Liquid |

A full list of counterparties that meet the council's criteria for both specified and non-specified investments are listed in Annex A.

### *4.5 Other Limits*

In order to mitigate concentration risk, there are a number of other limits imposed within the investment strategy. **Table 8** sets out the maximum permitted investment for each sector at the time of investment:

| Table 8 – Other Limits | |
|---|---|
| **Sector** | **Max total of portfolio** |
| Banking sector | 100% |
| Building Society Sector | 75% |
| Local Authority Sector | 100% |

| | |
|---|---|
| Money Market Funds (MMF) | 100% |
| Short Dated & Ultra Short Dated Bond Funds | 50% |
| Debt Management Account Deposit Facility (DMADF) | 100% |

In addition to these limits:

- no more than 25% of the portfolio can be invested for more than 1 year; and
- with the exception of MMF & the DMADF, no one counterparty may have more than 25% of the relevant sector maximum at the time the investment is made.

### *4.6 Approved Methodology for adding and 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 Chief Finance Officer 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 Chief Finance Officer.

### *4.7 Investment Risk Benchmarking*

The weighted average benchmark risk factor for 2023/24 is recommended to be 0.05%. This is unchanged from 2022/23. This is a measure of the percentage of the portfolio deemed to be at risk of loss by reference to the maturity date, value of investment, and credit rating of the individual investments within the portfolio compared to the historic default data for those credit ratings.

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 can 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.

This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process. It also excludes funds lend to other Local Authorities, consistent with the CIPFA Accounting Code.

For any investment where there is a direct and legal offset against an existing financial liability, the investment will be assumed to have a benchmark risk of 0.00%.

### *4.8 Investment Performance Benchmarking*

The performance of the Council's investment portfolio will be measured against the overnight SONIA Rate.

## 5 OTHER TREASURY MATTERS

### *5.1 Banking Services*

Lloyds Bank plc currently provides banking services for the council.

### *5.2 Training*

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

The scale and nature of this will depend on the size and complexity of the organisation's treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis."

In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.

Training was last provided for members of the Audit & Standards Committee and Policy & Resources Committee on 4 October 2021 and further training will be arranged as part of the member induction process during 2023.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function and members who are responsible for decision making and scrutiny of the Treasury function will be maintained by the Principal Accountant (Treasury & Taxation).

### *5.3 Policy on the use of External Service Providers*

The council uses Link Asset Services as its external treasury management advisors.

The council recognises that responsibility for treasury management decisions remains with the council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

### *5.4 Lending to Third Parties*

The council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments, rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken, as described in the Capital Strategy (Appendix 2 to the budget report).

### *5.5 Updates to the Codes of Practice 2021*

CIPFA published the revised Treasury and Prudential codes in 2021. Full adoption of the new Codes is incorporated within this strategy. The main changes to the codes are as follows:

- Adoption of a new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement. This is included in Section 2.2.2 & 2.3.2 of this Appendix.
- Amendment to the knowledge and skills register for officers and members involved in the Treasury management function as set out in section 5.2 of this appendix.
- Quarterly reporting to members of performance against forward looking indicators. As outlined in 1.2.2 of this appendix, this will be built into the Target Budget Monitoring process in those quarters where members aren't already receiving a report.
- ESG issues to be addressed within the authority's treasury management policies and practices (TMP1). This isn't a change in the council's investment strategy, but how ESG is incorporated into the monitoring of counterparties' credit standing. The Council's Treasury Management Practices (TMPs) are in the process of being updated for the new financial year to include this requirement. These will be reviewed and implemented by the Chief Finance Officer.
- An update to ensure that authorities are more transparent in their service and commercial investments. This includes a requirement that the Council acknowledges that it will not borrow to invest in the primary purpose for commercial return. These changes are reflected in the Capital Strategy.

### *5.6 Updates to Accounting Requirements*

#### *IFRS 9 – local authority override – English local authorities*

The MHCLG (DLUHC) enacted a statutory over-ride from 1.4.18 for a five-year period following the introduction of IFRS 9 in respect of the requirement for any unrealised capital gains or losses on marketable pooled funds to be chargeable in year.  his has the effect of allowing any unrealised capital gains or losses arising from qualifying investments to be held on the balance sheet to allow authorities to initiate an orderly withdrawal of funds if required.

Following recent consultation, DLUHC have extended the override for a further two years until 31 March 2025. The full government response is due in early 2023.

### *IFRS 16 – Leasing*

The CIPFA LAASAC Local Authority Accounting Code Board has deferred implementation of IFRS16 until 1.4.24, the 2024/25 financial year. Once implemented, this has the following impact to the Treasury Management Strategy:

- The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet;
- The Council's Capital Financing Requirement authorised limit and operational boundary expectations for 2024/25 onwards have been increased to reflect the estimated effect of this change.

**Appendix 3**

**ANNEX A - Approved List of Counterparties 2023/24**

| Counterparty | Specified /Non-specified | Short-term | | | Long-term | | | Lending Limit | Fixed deposit duration limit (months) |
|---|---|---|---|---|---|---|---|---|---|
| | | *F=Fitch M=Moody's SP=Standard & Poor's* | | | | | | | |
| | | F | M | SP | F | M | SP | | |
| **(1) UK Banks** | | | | | | | | | |
| Lloyds Banking Group: | | | | | | | | | |
| Bank of Scotland PLC (RFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A+ | £25m | 12 |
| Lloyds Bank PLC (RFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A+ | £25m | 12 |
| Lloyds Bank Corporate Markets PLC (NRFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £25m | 12 |
| Total Max. exposure to Lloyds Banking Group | | | | | | | | £25m | 12 |
| Barclays Banking Group: | | | | | | | | | |
| Barclays Bank PLC (NRFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £20m | 12 |
| Barclays Bank UK PLC (RFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £20m | 12 |
| Total Max. exposure to Barclays Banking Group** | | | | | | | | £20m | 12 |
| HSBC Group: | | | | | | | | | |
| HSBC Bank PLC (NRFB) | Specified | F1+ | P-1 | A-1 | AA- | A1 | A+ | £20m | 12 |
| HSBC UK Bank PLC (RFB) | Specified | F1+ | P-1 | A-1 | AA- | A1 | A+ | £20m | 12 |
| Total Max. exposure to HSBC Group** | | | | | | | | £20m | 12 |
| RBS/Natwest Group: | | | | | | | | | |
| Natwest Markets PLC (NRFB) | Specified | F1 | P-1 | A-2 | A+ | A1 | A- | £15m | 6 |
| National Westminster Bank PLC (RFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £30m | 12 |
| The Royal Bank of Scotland PLC (RFB) | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £30m | 12 |
| Total Max. exposure to RBS/Natwest Group** | | | | | | | | £30m | 12 |
| Close Brothers Ltd | Specified | F2 | P-1 | | A- | Aa3 | | £15m | 6 |
| Clydesdale Bank PLC | Specified | F2 | P-2 | A-2 | A- | A3 | A- | £15m | 6 |
| Goldman Sachs International Bank | Specified | F1 | P-1 | A-1 | A+ | A1 | A+ | £20m | 12 |
| Handelsbanken PLC | Both | F1+ | | A-1+ | AA | | AA- | £30m | 24 |
| Santander UK PLC | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £20m | 12 |
| Standard Chartered Bank | Specified | F1 | P-1 | A-1 | A+ | A1 | A | £20m | 12 |
| SMBC Bank International Plc | Specified | F1 | P-1 | A-1 | A- | A1 | A | £15m | 6 |
| **(2) Building Societies+** | | | | | | | | | |
| Coventry (2) | Specified | F1 | P-1 | | A- | A2 | | £15m | 6 |
| Leeds (5) | Specified | F1 | P-2 | | A- | A3 | | £15m | 6 |
| Nationwide (1) | Specified | F1 | P-1 | A-1 | A | A1 | A+ | £20m | 12 |
| Principality (6) | Specified | F2 | P-2 | | BBB+ | Baa2 | | £15m | 6 |
| Skipton (4) | Specified | F1 | P-1 | | A- | A2 | | £15m | 6 |
| Yorkshire (3) | Specified | F1 | P-2 | | A- | A3 | | £15m | 6 |

**Appendix 3**

| Counterparty | Specified /Non-specified | Short-term | | | Long-term | | | Lending Limit | Fixed deposit duration limit (months) |
|---|---|---|---|---|---|---|---|---|---|
| | | *F=Fitch M=Moody's SP=Standard & Poor's* | | | | | | | |
| | | F | M | SP | F | M | SP | | |
| **(3) Non-UK Banks** | | | | | | | | | |
| Toronto Dominion (Canada) | Both | F1+ | P-1 | A-1+ | AA- | Aa1 | AA- | £30m | 24 |
| Nordea Bank Abp (Finland) | Both | F1+ | P-1 | A-1+ | AA- | Aa3 | AA- | £30m | 24 |
| Landwirtschaftliche Renenbank (Germany) | Both | F1+ | P-1 | A-1+ | AAA | Aaa | AAA | £30m | 36 |
| NRW.BANK (Germany) | Both | F1+ | P-1 | A-1+ | AAA | Aa1 | AA | £30m | 24 |
| Bank Nederlandse Gemeenten (The Netherlands) | Both | F1+ | P-1 | A-1+ | AAA | Aaa | AAA | £30m | 36 |
| Nederlandse Waterschapsbank N. V. (The Netherlands) | Both | | P-1 | A-1+ | | Aaa | AAA | £30m | 36 |
| DBS Bank Ltd (Singapore) | Both | F1+ | P-1 | A-1+ | AA- | Aa1 | AA- | £30m | 24 |
| Overseas Chinese Banking Corporation Limits (Singapore) | Both | F1+ | P-1 | A-1+ | AA- | Aa1 | AA- | £30m | 24 |
| United Overseas Bank Limited (Singapore) | Both | F1+ | P-1 | A-1+ | AA- | Aa1 | AA- | £30m | 24 |
| Svenska HandelsBanken AB (Sweden) | Both | F1+ | P-1 | A-1+ | AA | Aa2 | AA- | £30m | 24 |
| First Abu Dhabi Bank PJSC | Both | F1+ | P-1 | A-1+ | AA- | Aa3 | AA- | £30m | 24 |
| Bank of New York Mellon (USA) | Both | F1+ | P-1 | A-1+ | AA | Aa1 | AA- | £30m | 24 |

Ratings as advised by Link Asset Services 25 January 2023

+ UK Building Societies ranking based on Total Asset size – Source: Building Societies Association Jan 2023

** Where there are multiple counterparties within a banking group, exposure to the overall group will be the largest limit, but exposure to individual counterparties within the group will be based on the individual counterparty limit. E.g., exposure to RBS Banking Group can be up to £30m, but max exposure to Natwest Markets PLC will be £15m.

## ANNEX B - ECONOMIC OVERVIEW & INTEREST RATE VIEW

### Provided by Link Asset Services December 2022

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

| | UK | Eurozone | US |
|---|---|---|---|
| **Bank Rate** | 3.0% | 1.5% | 3.75%-4.00% |
| **GDP** | -0.2%q/q Q3 (2.4%y/y) | +0.2%q/q Q3 (2.1%y/y) | 2.6% Q3 Annualised |
| **Inflation** | 11.1%y/y (Oct) | 10.0%y/y (Nov) | 7.7%y/y (Oct) |
| **Unemployment Rate** | 3.6% (Sep) | 6.6% (Sep) | 3.7% (Aug) |

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

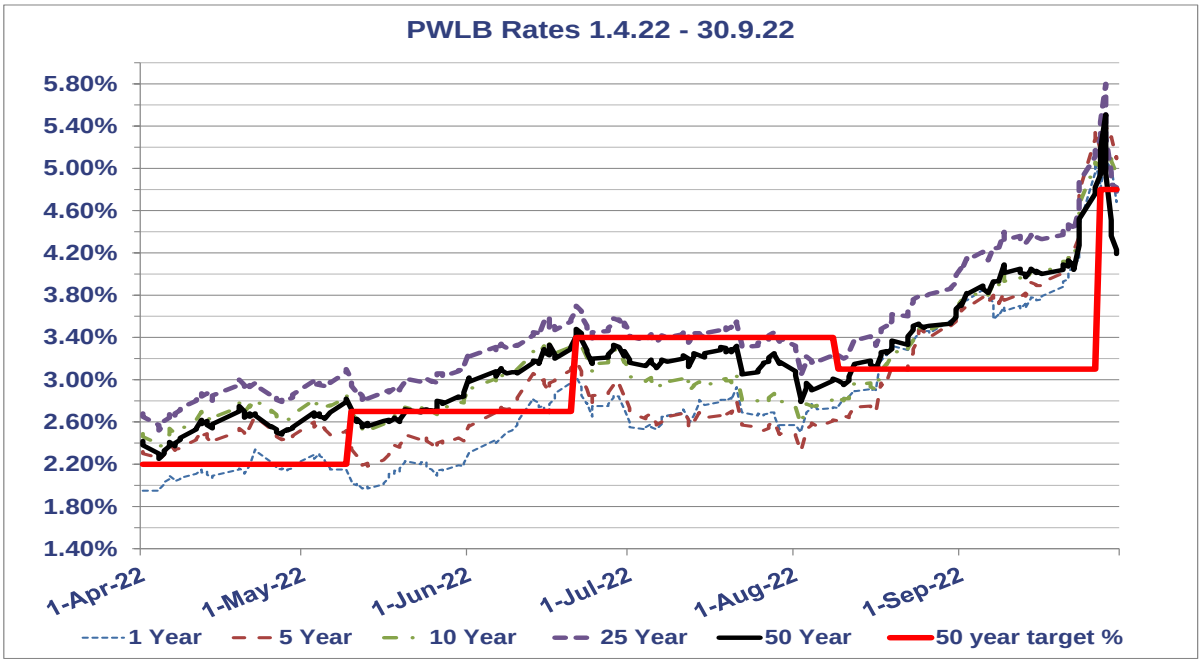
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did

not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of $1.035, on the Monday following the Truss government's "fiscal event", to $1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.




However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

| | 1 Year | 5 Year | 10 Year | 25 Year | 50 Year |
|---|---|---|---|---|---|
| **Low** | 1.95% | 2.18% | 2.36% | 2.52% | 2.25% |
| **Date** | 01/04/2022 | 13/05/2022 | 04/04/2022 | 04/04/2022 | 04/04/2022 |
| **High** | 5.11% | 5.44% | 5.35% | 5.80% | 5.51% |
| **Date** | 28/09/2022 | 28/09/2022 | 28/09/2022 | 28/09/2022 | 28/09/2022 |
| **Average** | 2.81% | 2.92% | 3.13% | 3.44% | 3.17% |
| **Spread** | 3.16% | 3.26% | 2.99% | 3.28% | 3.26% |

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

### Prospect for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 19 December 22. These are forecasts for certainty rates, gilt yields plus 80 bps

| Link Group Interest Rate View | 19.12.22 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Dec-22 | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
| BANK RATE | 3.50 | 4.25 | 4.50 | 4.50 | 4.50 | 4.00 | 3.75 | 3.50 | 3.25 | 3.00 | 2.75 | 2.50 | 2.50 |
| 3 month ave earnings | 3.60 | 4.30 | 4.50 | 4.50 | 4.50 | 4.00 | 3.80 | 3.30 | 3.00 | 3.00 | 2.80 | 2.50 | 2.50 |
| 6 month ave earnings | 4.20 | 4.50 | 4.60 | 4.50 | 4.20 | 4.10 | 3.90 | 3.40 | 3.10 | 3.00 | 2.90 | 2.60 | 2.60 |
| 12 month ave earnings | 4.70 | 4.70 | 4.70 | 4.50 | 4.30 | 4.20 | 4.00 | 3.50 | 3.20 | 3.10 | 3.00 | 2.70 | 2.70 |
| 5 yr PWLB | 4.20 | 4.20 | 4.20 | 4.10 | 4.00 | 3.90 | 3.80 | 3.60 | 3.50 | 3.40 | 3.30 | 3.20 | 3.10 |
| 10 yr PWLB | 4.30 | 4.40 | 4.40 | 4.30 | 4.10 | 4.00 | 3.90 | 3.80 | 3.60 | 3.50 | 3.40 | 3.30 | 3.30 |
| 25 yr PWLB | 4.60 | 4.60 | 4.60 | 4.50 | 4.40 | 4.20 | 4.10 | 4.00 | 3.90 | 3.70 | 3.60 | 3.50 | 3.50 |
| 50 yr PWLB | 4.30 | 4.30 | 4.30 | 4.20 | 4.10 | 3.90 | 3.80 | 3.70 | 3.60 | 3.50 | 3.30 | 3.20 | 3.20 |

Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

### PWLB RATES

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

**The balance of risks to the UK economy: -**

- The overall balance of risks to economic growth in the UK is to the downside. Indeed, the Bank of England projected two years of negative growth in their November Quarterly Monetary Policy Report.

**Downside risks to current forecasts for UK gilt yields and PWLB rates include: -**

- **Labour and supply shortages** prove more enduring and disruptive and depress economic activity (accepting that in the near-term this is also an upside risk to inflation and, thus, rising gilt yields).
- **The Bank of England** acts too quickly, or too far, over the next two years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- **UK / EU trade arrangements** – if there was a major impact on trade flows and financial services due to complications or lack of co-operation in sorting out significant remaining issues.
- **Geopolitical risks,** for example in Ukraine/Russia, China/Taiwan/US, Iran, North Korea and Middle Eastern countries, which could lead to increasing safe-haven flows.

**Upside risks to current forecasts for UK gilt yields and PWLB rates: -**

- The **Bank of England is too slow** in its pace and strength of increases in Bank Rate and, therefore, allows inflationary pressures to build up too strongly and for a longer period within the UK economy, which then necessitates an even more rapid series of increases in Bank Rate faster than we currently expect.
- **The Government** acts too slowly to increase taxes and/or cut expenditure to balance the public finances, in the light of the cost-of-living squeeze.
- **The pound weakens** because of a lack of confidence in the UK Government's fiscal policies, resulting in investors pricing in a risk premium for holding UK sovereign debt.
- Longer term **US treasury yields** rise strongly, if inflation numbers disappoint on the upside, and pull gilt yields up higher than currently forecast.

**Borrowing advice:** Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

| Average earnings | |
|---|---|

| in each year | |
|---|---|
| 2022/23 (remainder) | 3.95% |
| 2023/24 | 4.40% |
| 2024/25 | 3.30% |
| 2025/26 | 2.60% |
| 2026/27 | 2.50% |
| Years 6 to 10 | 2.80% |
| Years 10+ | 2.80% |

As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

## ANNEX C - PRUDENTIAL AND TREASURY INDICATORS 2023/24 to 2025/26

The council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans are reflected in prudential indicators. Local authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2023/24 to 2025/26 are set out in **Table A** below:

| Table A | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate |
|---|---|---|---|
| **General Fund (GF) Prudential Indicators** | | | |
| **GF Capital Expenditure £m (gross)**<br>General Fund capital expenditure plans | £120m | £103m | £43m |
| **GF Capital Financing Requirement £m***<br>Measures the underlying need to borrow for capital purposes (including PFI & Leases) | £319m | £355m | £361m |
| **GF Ratio of financing costs to net revenue stream****<br>Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream | 6.96% | 7.48% | 7.97% |
| **Housing Revenue Account (HRA) Prudential Indicators** | | | |
| **HRA Capital Expenditure £m (gross)**<br>HRA capital expenditure plans | £92m | £50m | £41m |
| **HRA Capital Financing Requirement £m***<br>Measures the underlying need to borrow for capital purposes | £268m | £292m | £312m |
| **HRA Ratio of financing costs to net revenue stream****<br>Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream | 9.38% | 11.25% | 11.91% |

** From 2024/25, the CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

*** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the council's borrowing. This includes interest costs relating to the council's borrowing portfolio and MRP. Previously this was shown net of the investment income from the council's investment portfolio, but this has been removed following changes to the Treasury Management Code.*

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2023/24 to 2025/26 are set out in **Tables B &**

**C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice:

| Table B | 2023/24 Estimate | 2024/25 Estimate | 2025/26 Estimate |
|---|---|---|---|
| **Authorised Limit for External Debt £m*** The council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council. | £607m | £667m | £693m |
| **Operational boundary for external debt £m*** The council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons. | £657m | £683m | £696m |
| **Principal Sums invested for longer than 365 days** | £40m | £40m | £40m |

**From 2024/25 The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

| Table C<br>**Maturity Structure of fixed interest rate borrowing*** The council needs to set upper and lower limits with respect to the maturity structure of its borrowing. | | |
|---|---|---|
| | Lower | Upper |
| Under 12 months | 0% | 40% |
| 12 months to 2 years | 0% | 40% |
| 2 years to 5 years | 0% | 50% |
| 5 years to 10 years | 0% | 75% |
| Over 10 years | 40% | 100% |

## ANNEX D - SCHEME OF DELEGATION

### 1. Full Council

- Approval of Annual Investment Strategy, Treasury Management Strategy Statement, Capital Strategy, Treasury Management Policy Statement;
- Approval of the Minimum Revenue Provision Policy;
- Approval of the Prudential and Treasury indicators, including the Affordable borrowing limits;
- Approval of the annual revenue budget for financing costs.

The requirements are all contained within this appendix (TMSS incorporating the AIS) and Appendix 2 (Capital Strategy) of the budget report.

- Any changes to the Annual Investment Strategy during the year require approval by full Council.
- Full Council are able to delegate the implementation and monitoring of the treasury management function. This function is delegated to the Policy & Resources Committee.

### 2. Policy & Resources Committee

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget development, consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations.

P&R receive the following reports in order to fulfil these requirements:

- A **Mid-Year Review Report** – an update on progress of the treasury and investment strategy against budget and the treasury & prudential indicators for the first six months of the year. Any amendments to the indicators or investment strategy require P&R committee to recommend that full Council approve the changes.
- **End of Year Review report** – an update regarding the actual outturn of the treasury position provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- **Regular TBM reports** - includes the revenue impact of the financing cost budget.

P&R Committee is the body held responsible for the scrutiny of the actual performance of the treasury activities against the strategy.

### 3. Role of the Section 151 Officer

The council's appointed Section 151 Chief Financial Officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;

- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2021 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

## Review of Reserves

### *Adequacy of Reserves and Working Balance*

The working balance is recommended to be maintained at £9m over the period of the Medium Term Financial Strategy. The consequences of not keeping a minimum prudent level of balances can be serious and in the event of a major problem or a series of events, the council would run a serious risk of a deficit or of being forced to cut spending during the year in a potentially damaging and arbitrary way.

The current level of balances has been based on the robustness of estimates information and the Corporate Risk Register. In addition, the other strategic, operational and financial risks taken into account when considering the minimum level of the working balance include:

(i) The level of mitigation against the ongoing financial impacts of the pandemic;

(ii) The complexity and degree of uncertainty associated with planned economy and efficiency measures and/or service changes and the likelihood of achieving them in full;

(iii) The level of balances required to complement resources potentially available under the Bellwin Scheme for Emergency Financial Assistance to Local Authorities in the event of a major emergency;

(iv) Risks of rising demand, increasing costs and/or falling income due to economic conditions or potential legislative changes;

(v) The risk of major legal challenges, both current and in the future;

(vi) Risks in the financial inter-relationship between NHS partners and the council;

(vii) The need to retain a general contingency to provide against unforeseen circumstances that may arise, for example, delays in council tax billing which could arise from a major systems or power outage;

(viii) The need to retain reserves for general day-to-day cash flow needs.

In addition, the cash flow risk for unitary authorities is significant given the full range of services provided. Taking all of these factors into account, a £9m working balance is considered appropriate, representing about 3 weeks of council tax revenue.

### *Schools' Balances*

Schools' balances, while consolidated into the council' s overall accounts, are a matter for Governing Bodies. Nevertheless, under the council's Scheme for Financing Schools the council has a duty to scrutinise whether any school holds surplus balances. The council's Scheme for Financing Schools is in line with the requirements of the Secretary of State for Education and the arrangements in place are considered adequate.

### *Estimated Earmarked General Fund Revenue Reserves*

Processes are in place to regularly review the council's earmarked revenue reserves. Details of the review of reserves are included in the table below. Table 4 in the main report sets out the expected level of internal borrowing from the working balance which is budgeted to be repaid over 2024/25 to 2026/27.

The Chief Finance Officer is required, under Section 25 of the LG Act 2003, to review the adequacy of reserves and provisions. The review of reserves assesses

the purpose and appropriateness of holding a reserve or provision and assesses the level of the reserve against identified risks and commitments. Following the review, £1.840m can be released from the Waste PFI reserve in 2022/23 (i.e. no requirement to make planned contribution).

| | Estimated Balance as at 01/04/23 £'000 | Planned Use 2023/24 £'000 | Estimated Balance as at 31/03/24 £'000 | Review Arrangements | Conclusion |
|---|---|---|---|---|---|
| **General Fund Reserves** | | | | | |
| General Fund Working Balance/General Reserves | 3,600 | 0 | 3,600 | Reviewed against the register of financial risks, taking into account the requirements of the Local Government Act 2003. | A minimum working balance of £9.000m is recommended by the Chief Finance Officer in accordance with the requirements of Section 25 of the Local Government Act 2003. The MTFS includes replenishment of the Working Balance from 2024/25 to 2026/27. |
| General Fund Working Balance/General Reserves - held for specific future commitments | 492 | -457 | 35 | Following closure of accounts. | Balance will be used to fund ongoing corporate commitments. |
| Capital Receipts Reserve | 7,902 | -3,582 | 4,320 | Ongoing review as part of TBM process. | Committed to fund the Capital Investment programme including HRA Capital Programme and support for the council's modernisation investment plans. |
| Capital Reserves (GF) | 90 | -90 | 0 | Following closure of accounts. | Balance will be used to fund ongoing corporate commitments. |
| Library PFI Reserve | 861 | -133 | 728 | Following closure of accounts. | Use for funding the project over the lifetime of the PFI scheme. Expected to be increased contributions from reserves, due to inflationary pressures. |
| Waste PFI Project Reserve | 5,940 | 0 | 5,940 | Following closure of accounts. | Use for funding the project over the life time of the PFI. This reserve has been reviewed in light of the latest changes in the contract for inflation, energy income and tonnages. This allows the release of £1.840m in 2022/23 and will not require any contributions during 2023/24. |
| Section 106 Receipts (Revenue) | 509 | -100 | 409 | Reviewed throughout the year to reflect agreed liabilities and new agreements. | Retain for specified purpose. |

**Appendix 4**

| | Estimated Balance as at 01/04/23 £'000 | Planned Use 2023/24 £'000 | Estimated Balance as at 31/03/24 £'000 | Review Arrangements | Conclusion |
|---|---|---|---|---|---|
| Section 106 Interest | 481 | -50 | 431 | Reviewed throughout the year to reflect agreed liabilities and new agreements. | Retain for specified purpose. |
| Developer Contributions Unapplied (S106 Capital) | 275 | -75 | 200 | Reviewed throughout the year to reflect agreed liabilities and new agreements. | Retain for specified purpose. |
| Brighton Centre Redevelopment Reserve | 1,080 | -1,080 | 0 | Following closure of accounts. | Held to support future expenditure on the Brighton Centre essential maintenance from 2023/24 onwards. Interest is accrued on balances held. £1.52m was temporarily drawn down from this reserve to fund the 2021/22 Covid related expenditure and this is being repaid over 10 years |
| ICT Investment Reserve | 481 | 0 | 481 | Following closure of accounts. | Held to support planned IT&D expenditure over the next two years. |
| Environmental Enforcement Reserve | 155 | -50 | 105 | Following closure of accounts. | Hold for specified purpose – planned draw down is to fund project related posts. |
| Winter Maintenance | 325 | 0 | 325 | Following closure of accounts. | Held to fund exceptional costs of extreme weather. |
| Dome Planned Maintenance | 191 | 0 | 191 | Following closure of accounts. | Retain - subject to lease agreement with Brighton Dome & Festival Society. |
| Hove Park 3G Pitch Renewal | 15 | 0 | 15 | Following closure of accounts. | Held to replace pitch at the end of its useful life. |
| Surface Water Management Reserve | 380 | -200 | 180 | Following closure of accounts. | Retain to support planned SWMP related works, emergency work and to contribute to any carbon neutral opportunities. This reserve is retained to meet our statutory obligations as the Lead Local Flood Authority. |
| BikeShare Scheme Reinvestment Reserve | 98 | 0 | 98 | Following closure of accounts. | Retain to hold income share to the council from the Bike Share scheme to support future expansion |

| | Estimated Balance as at 01/04/23 £'000 | Planned Use 2023/24 £'000 | Estimated Balance as at 31/03/24 £'000 | Review Arrangements | Conclusion |
|---|---|---|---|---|---|
| | | | | | and innovation of the scheme. |
| Sports Facilities Reserve | 283 | 0 | 283 | Following closure of accounts. | The future capital investment in sports facilities is still in discussion. Breakdown of movement on individual classification codes is available. |
| Licensing - other reserve | 14 | -14 | 0 | Following closure of accounts. | Retain for specified purpose - to fund potential future deficits or repayment to licensees. |
| Taxi Licensing | 95 | -50 | 45 | Following closure of accounts. | Retain for specified purpose - to fund potential future deficits or repayment to licensees. |
| Stanmer Park Parking Surplus | 205 | 35 | 240 | Following closure of accounts. | Retain to support expenditure on Stanmer Park as part of the ringfence. |
| East Brighton Parking Surplus | 15 | -5 | 10 | Following closure of accounts. | Retain to support expenditure on East Brighton Park. The balance is due to be drawn down for investment in playgrounds. |
| Preston Park Parking Surplus | 336 | 30 | 366 | Following closure of accounts. | Retain to support expenditure on Preston Park. |
| Road Works Permit Scheme | 33 | 0 | 33 | Following closure of accounts. | The reserve is required to ensure that the permit scheme can meet its costs as in accordance with the legislation. The service is demand led depending on the volume of works in the city and it can reduce as was experienced in 2019 and 2020 where it was running at a loss. It had to be supported by the wider Traffic Management revenue at that time. A reserve reduces this risk and pressure on the wider council's revenue budgets. |
| Overdown Rise Footpath Maintenance | 20 | 0 | 20 | Following closure of accounts. | Hold for future years maintenance costs of the foot path at Overdown Rise |
| i360 Reserve | 9,083 | 0 | 9,083 | Following closure of accounts and regular review for reporting to | Full reserve will be held to offset the outstanding debt from the i360 subject to ongoing negotiations with the i360. |

| | Estimated Balance as at 01/04/23 £'000 | Planned Use 2023/24 £'000 | Estimated Balance as at 31/03/24 £'000 | Review Arrangements | Conclusion |
|---|---|---|---|---|---|
| | | | | P&R Committee in light of the i360 financial position | |
| HMO Licensing Fees Reserve | 732 | -218 | 514 | Following closure of accounts. | Retain to support annual inspections of HMO licenses |
| Phoenix House Sinking Fund | 60 | 0 | 60 | Following closure of accounts. | Retain for maintenance requirements at Phoenix House (contributions from tenants). |
| Damage Deposit Guarantee Scheme | 200 | -200 | 0 | Reviewed during the year as part of budget monitoring process | Retained for specific purpose but required level will continue to be reviewed. |
| RP&M Trust Sinking Fund | 191 | 0 | 191 | Following closure of accounts. | Retain for RPM Trust maintenance requirements |
| Cemeteries Maintenance Reserve | 58 | 0 | 58 | Following closure of accounts. | Retain for maintenance of cemeteries, tree clearance etc |
| Travellers Site Capital Reserve | 79 | -79 | 0 | Following closure of accounts. | Contribution each year to reserves for future major works costs of the Travellers site to pay for capital works to the site such as works to shower blocks. |
| City Deal New England House Dev Reserve | 0 | 0 | 0 | Following closure of accounts. | Reserve was drawn down to support the Budget Process in 2022/23. Repayment will commence during the MTFS period. |
| Restructure Redundancy Reserve | 59 | 0 | 59 | As part of closure of accounts. | Restructure & Redundancy costs are funded within the capital programme as part of the capitalisation direction. |
| CIL - Neighbourhood reserve | 437 | 300 | 737 | Yearly | CIL expenditure (when funds are drawn down) difficult to estimate until projects begin. CIL income also dependent on levels of development activity during year. |
| CIL - Strategic reserve | 2,330 | 0 | 2,330 | Yearly | CIL expenditure (when funds are drawn down) difficult to estimate until projects begin. CIL income also dependent on levels of development activity during year. |
| **Total General Fund Reserves** | **37,105** | **-6,018** | **31,087** | | |

**Appendix 4**

| | Estimated Balance as at 01/04/23 £'000 | Planned Use 2023/24 £'000 | Estimated Balance as at 31/03/24 £'000 | Review Arrangements | Conclusion |
|---|---|---|---|---|---|
| **Schools / DSG Reserves** | | | | | |
| Schools PFI Project Reserve | 632 | -185 | 447 | Following closure of accounts. | Use for funding the project over the lifetime of the PFI scheme. |
| Schools LMS Balances | 2,135 | 0 | 2,135 | Following closure of accounts. | Balances are held by school governing bodies. Position unclear for future years. |
| Portslade Adult Learning | 20 | 0 | 20 | Following closure of accounts. | Balance used at the discretion of the facility. |
| **Total Schools / DSG Reserves** | **2,787** | **-185** | **2,602** | | |
| **TOTAL RESERVES** | **39,892** | **-6,203** | **33,689** | | |
| **General Fund Provisions** | | | | | |
| Hostel Accommodation Dilapidations | 82 | 0 | 82 | Following closure of accounts. | Held for dilapidation costs for West Pier Hostel following retendering of service. |
| Voluntary Severance Provision | 500 | -500 | 0 | Following closure of accounts. | To fund cost of potential severance agreements from 2023/24 Budget plans. |
| Insurance Provision | 4,326 | 0 | 4,326 | The Insurance Fund is subject to a bi-annual health check by the actuaries. The next review is due to be published in March 2023. | The level of the Insurance Fund will be adjusted in line with the recommendations of the actuary as part of the 2022/23 outturn report. |
| Workstyles Dilapidations | 41 | 0 | 41 | Following closure of accounts. | Balance held to meet potential liability. |
| Equal Pay Settlement Provision | 1,000 | -1,000 | 0 | Following closure of accounts. | |
| **Total General Fund Provisions** | **5,949** | **-1,500** | **4,449** | | |
| **TOTAL ALL FUNDS** | **45,841** | **-7,703** | **38,138** | | |

**APPENDIX 5**

## ASSESSMENT OF BUDGET AND MEDIUM TERM RISKS

The Medium Term Financial Strategy (MTFS) of a large public sector organisation with many demand-led services and complex, uncertain funding streams will always contain significant and varying degrees of risk. The legacy of the pandemic, the cost of living crisis and very high inflation has significantly impacted the council's expenditure and income throughout 2022/23. This includes higher than anticipated pay awards, higher costs of social care, impacts on fees & charges, continued high levels of Council Tax Reduction claimants (i.e. taxation losses), and continued high levels of support for hospital discharges and homelessness in particular. These pressures have resulted in unprecedented predicted in-year over spends and strong expenditure controls have been required to help mitigate the financial position. This highlights the need to recognise the financial risks of unexpected events and the impact this has on the resilience of the authority.

The pressures experienced in the current year will largely continue over the medium term and the government has recognised these pressures in part by providing additional funding to support social care and the flexibility to increase council tax through a further Adult Social Care levy in 2023/24 and 2024/25. However the scale of financial challenges the council faces means that even with these additional resources, the council will need to make substantial savings in 2023/24 and future years.

For businesses within the city the government has provided further Business Rates reliefs to help the business sector and frozen the Business Rates Multiplier. For individuals, the government is providing additional funding through the Household Support Fund.

The government has again announced a one year settlement for 2023/24 on 19 December 2022 with some aspects of funding confirmed for a further year but leaves financial planning uncertain for later years.

In general, other factors that can have a material effect on the medium term financial position of an authority include:

- The lack of certainty in future resource levels;
- Changes in function and/or funding;
- Changes in the economy including the impact on business rates income and/or Council Tax Reduction claimant numbers or collection rates;
- Similarly, impacts on the levels of house building which affects both Council Tax and New Homes Bonus or a successor mechanism;
- The level of future successful appeals against the business rating list;
- Changes in employer costs e.g. pension or national insurance changes;
- Achievement of performance targets for performance related grant or partnership funding;
- Delivery and achievement of savings and modernisation programmes;
- Ability to manage identified demand-led service pressures;
- Decisions on council tax increases and the council tax reduction scheme;
- Democratic support for change including partnership working and integration.

Risks to the MTFS arise from both external and internal factors. External risks include, for example, Government policy decisions that can have an adverse financial impact on the council. External risks are generally the most difficult to manage or plan for.

Internal risks can also arise for a number of reasons, such as cost overruns, underachievement of savings plans, changing priorities or ineffective systems of demand

management. They may also be influenced by external factors. It is vital to have adequate mechanisms to manage internal risks if financial stability is to be achieved. There are a number of ways in which the effects of risks can be managed and these are set out in the following risk table. Furthermore, the council's MTFS, by taking a longer term planning approach, aims to minimise the impact of some of the major financial risks and the impact on investment in support of the council's priorities.

The forecasts within the MTFS are based on prudential assumptions that reflect the most likely position based on current knowledge and data. There are therefore risks of over or under stating expenditure or income estimates which are considered below.

The identified risks are scored for Likelihood (L) and Impact (I). The scores are multiplied to give a resulting risk score. The key to the scores is given below:

Key:

| | |
|---|---|
| **Likelihood (L)** (of occurrence): | 1 – Almost impossible<br>2 – Unlikely<br>3 – Possible<br>4 – Likely<br>5 – Almost certain |
| **Impact (I):** | 1 – Insignificant<br>2 – Minor<br>3 – Moderate<br>4 – Major<br>5 – Catastrophic or fantastic |
| **Risk Score (L) x (I):** (Overall rating) | 1 to 3 Low<br>4 to 7 Moderate<br>8 to 14 Significant<br>15 to 25 High |

Risk Scores above at the midpoint of the range or higher (12 or higher) are highlighted (shaded) in the table below.

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| **Potential Risks affecting 2023/24 onwards** | | | | | |
| Council Tax base is lower than anticipated e.g. higher caseload for CTRS discounts /lower number of new properties / more student exempt properties / more SMI exemptions / more discounts awarded /, resulting in a deficit on the collection fund | 3 | 3<br>0.1% reduction in council tax = £0.191m | 9 | Would require reductions in budgets (increased savings) for the following year | Close monitoring of the collection fund and checking validity of exemptions and discounts particularly new property developments, student numbers, CTRS discounts and empty property discounts.<br>Through major projects, working with further education establishments to encourage development of more dedicated student accommodation. |
| Collection of council tax, including CTRS claimants, falls due to its impact on household budgets alongside other Welfare Reform impacts, resulting in a deficit on the collection fund | 3 | 3<br>0.1% reduction in council tax collection = £0.191m | 9 | Would require reductions in the budget (increased savings) for the following year | Close monitoring of the collection fund, including claimants under the CTR scheme. Appropriate communications, advice (linked to Welfare Reform advice services), CTRS discretionary funds through the Household Support Fund for 2023/24 and collection strategies have been agreed to minimise impact. |
| Services fail to operate within set budgets due to increased service demands or weak systems of demand management | 3 | 4<br>1% gross expenditure on demand led budgets = £2.6m | 12 | Excess service pressures would have to be met through additional resources, such as reserves, or through unplanned savings having to be made elsewhere.<br>Possible need for emergency spending and/or | Close monitoring and analysis of demand-led budgets and overall budget through budget monitoring (TBM).<br>Identify action plans to mitigate cost pressures.<br>Health & Social Care system management activity prioritised |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| | | | | recruitment restrictions with potential impacts on service delivery and quality. Reduction in reserves / working balance. Value for Money qualification of accounts through not securing economy, efficiency and effectiveness in the use of resources. | through integrated commissioning and working towards an Integrated Care System. Strategic Corporate Plan investments provided for ASC, Children's Social Care and Homelessness demand-led pressure areas. |
| Services fail to operate within set budgets due to unachievable income or poor collection performance | 3 | 3<br>1% of fees and charges income = £1.2m | 9 | Income pressures that can only be met through additional resources, such as using reserves, or savings being made elsewhere in the budget. Possible need for emergency spending and/or recruitment restrictions with potential impacts on service delivery and quality. Reduction in reserves / working balance. Value for money qualification of accounts by not securing economy, efficiency and effectiveness in the use of resources. | Monitoring of income budgets and collection performance (rates) through TBM reporting. Identify action plans to mitigate unachievable income, price variations and exceptional legal costs. In-year review of charging policy and revised charges approved if absolutely necessary. Internal Audit review of services where performance issues or financial concerns are identified. |
| Services fail to operate within set budgets due to increased labour or supply chain costs, | 4 | 4<br>1% gross expenditure = £4.4m | 16 | Excess costs would have to be met through additional resources, such as reserves, or through unplanned | Close monitoring of budgets and overall spend through budget monitoring (TBM). |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| contract price variations or other inflationary impacts | | | | savings having to be made elsewhere. Possible need for emergency spending and/or recruitment restrictions with potential impacts on service delivery and quality. Reduction in reserves / working balance. Value for Money qualification of accounts through not securing economy, efficiency and effectiveness in the use of resources. | Identify Financial Recovery action plans to mitigate specific areas experiencing cost pressures. Focus contract management resources to areas of concern. Consider unilateral financial management controls (short of restrictions) such as vacancy management and additional spending controls. |
| Services fail to operate within set budgets due to unachievable savings arising from:<br><br>- Over-estimate of the savings potential;<br>- Industrial relations issues;<br>- Withdrawal of political support;<br>- Higher than estimated costs to implement the savings opportunity. | 3 | 3<br>5% of GF savings = £0.7m | 9 | Overspending that can only be met from additional resources such as reserves or savings being made elsewhere in the budget. Possible need for emergency spending and/or recruitment restrictions with potential impacts on service delivery and quality. Reduction in reserves / working balance. | Monitor savings through TBM and identify action plans and/or alternative measures to mitigate the unachievable savings. Potentially refer back to members for decisions on alternative savings proposals where these are significant or cannot be mitigated elsewhere. |
| Pay assumptions for 2023/24 are lower than finally agreed pay awards and other pay related costs. | 3 | 3<br>0.5% change in pay award | 9 | Pay award pressures can only be met through additional resources, such as reserves, or savings being made elsewhere in the | Monitor progress on pay award negotiations and wider national settlements. Lobby government for more funding if nationally negotiated |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| Note: pay award assumptions generally follow government inflation predictions. | | = £0.8m for the general fund | | budget. Possible need for emergency spending and/or recruitment restrictions with potential impacts on service delivery and quality. Reduction in reserves / working balance. | pay awards are significantly higher than local or national assumptions (e.g. assumed within the Chancellor's Spending Review and inflation assumptions). As with 2022/23, higher pay awards need to be addressed in-year through financial management controls and then built into budget planning (MTFS) for future years. |
| PFI Waste tonnages higher than projected resulting in additional disposal costs | 2 | 3 1% increase in tonnage per annum = £1.4m p.a. over life of PFI contract | 6 | Would increase the waste disposal budget and compensating savings would need to be identified elsewhere in the budget. | Provision (contingency) for higher tonnages made in the assessment of the waste PFI reserve for future years. Monitor and identify specific areas of growth and undertake waste minimisation and further recycling measures. Trends are monitored and reflected in the MTFS for future years. |
| The uncertainties within the housing market, changes in housing benefit and welfare reform, or ongoing impacts of the pandemic create spending pressures within the budget e.g. homelessness | 4 | 3 10% increase in net temporary accommodation and rough sleeping budget = £1.2m | 12 | Would create additional pressures in the Housing Strategy and potentially other related budgets which would need to find compensating savings. | Continue to assess and monitor the potential impact of changes to the welfare benefit system and plan and respond to government consultations accordingly. A range of additional discretionary funds continue to be set aside to be directed to the most |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| | | | | | appropriate area as needed including CTRS, LDSF and DHP. |
| Increased insurance premiums as a result of national or international storm damage claims over the longer term | 3 | 2<br>10% further increase = £0.2m | 6 | Would require compensating savings to be identified in 2023/24 and future years. | Insurance premiums have been retendered and are reviewed annually. Budget increased in 2023/24 as price increases expected<br>Continued emphasis on risk management to help prevent future claims. |
| Long term borrowing rates higher than anticipated | 2 | 2<br>0.1% higher = £0.02m for £20m borrowing | 4 | Would increase borrowing costs budget over the long-term.<br>Would hinder business cases involving borrowing and make invest-to-save schemes less financially attractive | Closely monitor long term borrowing rates and future borrowing requirements to help identify the best time to borrow, supported by independent advisors. Shorter term borrowing used to avoid locking into longer term higher rates.. Under-borrowing (using available cash balances) remains a viable medium term strategy. |
| Major civil incident occurs e.g. storm, flooding, riot | 2 | 3<br>Estimated “Bellwin” threshold = £0.4m | 6 | Budget overspend / reduction in reserves / working balance.<br>Pressures on other budgets.<br>The council would have to meet the costs of uninsured risks in addition to the “Bellwin” threshold. | Ensure adequate levels of useable reserves and working balance to cover threshold expenditure.<br>Ensure appropriate insurance cover is in place and that the Insurance Fund is sufficient to cover uninsured risks. |
| Severe winter weather places additional spending pressures on winter maintenance and | 2 | 3 | 6 | Need to use Working Balance and/or reserves. | Advance planning to minimise possible disruption. A plan to |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| other budgets across the council | | Depends on severity of weather event | | | replenish the Working Balance in future years would be required. |
| Cost overruns occur on schemes in the agreed capital programme | 3 | 2<br>1% cost overrun on total programme = £2.1m | 6 | Reserves or other capital resources redirected to fund overspend.<br>Unable to meet capital investment needs.<br>Increased borrowing requirement. | Effective cost control and expenditure monitoring.<br>In the first instance, use flexibility within or across programmes to re-profile expenditure if necessary.<br>Flexing Capital Financing Strategy or HRA self-financing strategy as appropriate. |
| Capital receipts lower than anticipated | 3 | 2<br>10% reduction in receipts = £1.6m | 6 | Fewer resources available for regeneration programmes, Workstyles, Modernisation, Digital and IT infrastructure and corporate Capital Funds | Flexible capital programme that allows plans to be reduced or re-profiled.<br>Alternative site disposal plans are capable of being accelerated if necessary.<br>Borrowing is an option for invest-to-save schemes. |
| Capital Programmes are not delivered on time or in accordance with the expected payment profile or delivery timeline due to limitations on officer capacity, supply chain issues and/or contractual issues | 5 | 3<br>1% cost overrun on total programme = £2.1m | 15 | Corporate Plan priorities not achieved.<br>In the short-term slippage may reduce financing costs but in the medium term there may be cost over-runs due to delays in delivery while construction or other inflation is high or due to an increase in borrowing costs due to interest rate risk (i.e. risk of rates increasing over time). | If affordable, may require additional short-term resources to ensure delivery on time.<br>Use flexibility within or across programmes to re-profile expenditure if necessary.<br>Flexing Capital Financing Strategy or HRA self-financing strategy as appropriate. |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| Income from business rates is lower than expected due to successful rating appeals / higher levels of relief awarded / redevelopment of existing sites gives temporary reduction / collection performance declines | 3 | 3<br>1% of forecast retained business rates income = £0.8m | 9 | Would require an increased budget gap to be addressed in the following financial year. | Make appropriate provisions in resource forecasts.<br>Detailed monitoring of business rates yield and collection to ensure it reflects the latest known position.<br>Corporate approach to economic development and city regen. |
| **Further risks affecting 2024/25 onwards** | | | | | |
| The Government's Fair Funding Review results in lower Relative Needs leading to reduced government resources : -<br>• Reduced grant funding<br>• Lower Business Rates top-up payment or change to tariff payment | 3 | 3<br>1% reduction in Settlement Funding Assessment = £0.7m | 9 | Would require an increased budget gap to be addressed in the following financial year/s. | Engage fully in government consultations. Ensure core data used to determine relative needs is accurate and up to date. Government is currently taking stock of potential reforms to local government finance having delayed this proposal a further year. Lobby for damping and transitional mechanisms if outcome is unfavourable. |
| Business Rates revaluation appeals result in losses of business rate income in excess of provision for appeals. | 3 | 3<br>1% of forecast retained business rates income = £0.8m | 9 | Would require an increased budget gap to be addressed. Limited protection from safety net is afforded at 7.5% below baseline funding. | Respond to any government consultation on changes to the distribution mechanism. Continued liaison with VOA to ensure good access to data. Monitor the impact of appeals throughout the remaining revaluation period. |
| MTFS pay assumptions for 2024/25 onwards are lower than agreed pay awards and other pay related costs | 3 | 3<br>0.5% change in pay award | 9 | Impact on budget gap if pay provisions are insufficient to meet increased ongoing costs arising from | Monitor progress on pay award negotiations and wider national settlements. |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| | | = £0.8m for the general fund | | transformation, pay awards and/or impact of the National Living Wage. | Consider revising assumptions in future years based on CPI trends and forecasts. |
| Forecast resources from 2024/25 onwards lower than forecast in the MTFS | 2 | 3<br>1% reduction in Settlement Funding Assessment<br>= £0.7m | 6 | Would require an increased budget gap to be addressed in the following financial year/s. | Lobby LGA and government over future spending totals, particularly long term funding of social care.<br>Lobby for greater overall share of funding assessment (SFA) and respond in detail to any further consultation |
| Government changes to business rates (e.g. cap on multiplier, enhanced or new reliefs) are not fully funded through ongoing section 31 compensation grants | 2 | 4<br>Estimated value of Section 31 grant = £14m | 6 | Would require an increased budget gap to be addressed in the following financial year/s. | Lobby DLUHC to ensure any new measures impacting on business rates income are fully funded. |
| Energy and fuel prices increase above budgeted provision | 3 | 2<br>10% increase to the general fund = £0.45m | 6 | Would reduce resources within budgets creating the need to find compensating savings.<br>However, higher electricity prices would mean that the share of electricity income from the Energy From Waste plant will increase to offset some of the cost increase. | Reduce consumption and implement measures to generate energy.<br>Monitor energy/fuel market contracts closely and consider alternative procurement routes if necessary.<br>Service pressures provide some cover for higher inflation. |
| Investment interest rates lower than anticipated | 2 | 3<br>0.1% lower investment return = £0.13m | 6 | Would need more reserves to cover any shortfall in the investment interest budget. | Keep investment strategy under constant review as investment rates have rapidly increased with base rate increases but will |

| Risk | Likelihood (L) | Impact (I) | Risk = (L) x (I) | Possible Impact on Financial Strategy | Mitigation / Management |
|---|---|---|---|---|---|
| | | | | | reverse if base rates reduce in the future.<br>Work with Treasury Advisers to maximise return within agreed risk parameters.<br>Seek decisions from members for changes to risk appetite, counterparties or investment strategy if market availability moves outside of current parameters. |

**Budget 2023/24: Equality Impact Assessments – Service-Users**

The council is legally required by the Equality Act 2010 to evidence how it has rigorously considered its equality duties in the budget-setting process. To achieve this, Equality Impact Assessments (EIAs) have been completed on all budget proposals with a potential impact on service-users, related to their legally protected characteristics.

EIAs assess how proposals may impact on specific groups differently (and whether/how negative impacts can be reduced or avoided) so that these consequences are explicitly considered. Further assessment will be made through the budget consideration process and in relation to implementation if budget proposals are accepted. An assessment of the cumulative impacts across proposals will also be available with the budget papers for full council in February. Impacts on staff are assessed separately and will be presented at full budget council.

Members are referred to the full text of s149 of the Equality Act 2010 – included at the end of this document – which must be considered when making decisions on budget proposals.

| **Equality Impact Assessments describing impacts on Service-Users** | | |
|---|---|---|
| **Directorate** | **Service** | **EIA number** |
| **Families, Children & Learning** | **Agency placements disabled children** | **1a** |
| | **Continuing care** | **1b** |
| | **Learning disabilities community care** | **2** |
| | **Youth led grants programme** | **3** |
| | **Youth arts award programme** | **4** |
| | **Children's centres SLAs** | **5** |
| | **Skills & employment: paid placement** | **6** |
| | **Skills & employment: supported employment service** | **7** |
| | **Safeguarding & care: agency placements** | **8** |

| | | |
|---|---|---|
| **Health and Adult Social Care** | **Community care** | **9** |
| | **Assessment services** | **10** |
| | **Commissioning** | **11** |
| | **Provider services** | **12** |
| **Environment, Economy and Culture** | **Street lighting** | **13** |
| | **Concessionary travel** | **14** |
| | **Parking fees** | **15** |
| | **Winter maintenance** | **16** |
| | **Garden waste** | **17** |
| | **Parking in parks** | **18** |
| | **Allotments** | **19** |
| | **Household waste recycling site: charges** | **20** |
| | **Brighton Centre** | **21** |
| | **Visitor services** | **22** |

| | | |
|---|---|---|
| | **Seafront rent review** | **23** |
| | **Outdoor events fee** | **24** |
| **Housing, Neighbourhoods and Communities** | **Housing needs and supply: adaptions** | **25** |
| | **Temporary accommodation** | **26** |
| | **Libraries** | **27** |
| | **Communities Fund** | **28** |
| | **Safer communities: licensing fees and field officers** | **29** |
| **Governance, People and Resources** | **No service user EIAs required** | |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Specialist Community Disability Service** | **2. Proposal No. 1a** |
| **3. Head of Service** | **Alison Mills-Clarke** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Limit the number of expensive external residential placements through commissioning and brokerage work.<br><br>Through the new HSEND commissioning and brokerage team reduce the commissioning of high-cost placements through using a wider range of frameworks to identify specialist placements and regularly reviewing the high-cost placements to ensure that the package of support changes in line with the progress being made by the child or young person.<br><br>There will also be a short breaks/respite review that will look at how we ensure that services are more equitable, and more outcome focused and reach a wider number of families to prevent the need of high-cost specialist residential placements. This will help to reduce crisis intervention which will fit in with our Early Help model and prevent a need for high-cost placements.<br><br>However, this is a demand led budget that must respond to presenting needs and may be hard to achieve.<br><br>Savings allocated to this piece of work is £250K. | |
| | **Highlight the most significant disproportionate impacts on groups** | |

| | |
|---|---|
| **5. Summary of impacts** | This saving will have the most impact upon a small number of families who are finding it very difficult to support their child in the home and whose children are at risk of being looked after by the local authority. These are likely to be children with very complex needs that will include having a learning disability and some behaviours that are difficult to manage. |
| **6. Assess level of impact** | **3** |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>• Use a wider range of frameworks to identify specialist placements to gain better value for money<br>• Review regularly the high-cost placements to ensure that the package of support reduces in line with the progress being made by the child or young person.<br>• Maximise the local offer which includes respite and short break provision to prevent the need for external residential placements.<br>• Review Direct Payments and increase the range of activities that can be accessed by CYP with a disability in the city to prevent the needs for high-cost residential placements.<br>• Ensure that staff are equipped and have the necessary training to be able to offer support and strategies to families which is more outcomes focussed rather than reactionary and crisis led. |

**8. Identify disproportionate impacts**

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|

| | | | |
|---|---|---|---|
| **Age** (people of all ages) | **YES** | This measure will impact upon CYP between the ages of 5-18. | See section 7 |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **YES** | There will be a negative impact upon families who have CYP with a disability and who are finding it challenging to cope with their child in the family home. The potential impact is that the child or young person will not have an appropriate placement that meets their needs and could lead to family breakdown. | See section 7 |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | 19.7% of the CYP supported by SCDS are from black and minority ethnic communities. The 2011 census showed 21% of the under 18 population in Brighton and Hove are from a BME background. | |
| **Gender** (men and women, girls and boys) | **No** | In Brighton and Hove 71% of all CYP with EHC plans in the city are boys compared to 73% nationally. However, the numbers of CYP in the high-cost placements are relatively small and the figure often fluctuates between 70 and 80% for boys. | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |

| | | | |
|---|---|---|---|
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **Yes** | More challenging for those families who are on low income to access support/activities as they don't have the disposable income. 44% of FSM are those CYP with an EHCP. | Targeted intervention for those on low income to ensure they are prioritised during holiday periods for respite and short breaks. |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **No** | | |

| | |
|---|---|
| **9. Full EIA?** | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Monitoring will take place through casework supervision, transition tracking meetings, monthly budget monitoring and resource panels. This will include collecting and analysing equality data of service users. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>None |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Specialist Community Disability Service** | **2. Proposal No. 1b** |
| **3. Head of Service** | **Alison Mills-Clarke** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>To increase the amount of Continuing Health Care (CHC) funding for the children and young people we are supporting with complex needs up to the age of 18.<br><br>Many of the children and young people who are in specialist placements or who receive other specialist support are being fully funded through the local authority. A proportion of this cohort have significant health needs which we believe should be funded through the Continuing Health Care budget administered through the Integrated Care Board. We currently benchmark poorly against our statistical nearest neighbours for CHC funding which suggests that there is an opportunity to access a greater level of funding through making further applications for CHC funding for individual CYP. In addition, where we have not been successful in achieving the funding appeals will be lodged with the ICB.<br><br>Savings to be achieved using this approach is £200,000. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>This saving should not have an impact upon individuals' packages of support as it is purely a funding issue, the package of support identified through the child or young person's care plan should not change it is only how it is funded that will. The funding form CHC might be for the whole package of support or be part of a dual funded agreement by the ICB and the local authority.<br><br>There is a positive impact to this change as if it funded through the CHC then more specialist care will be provided in line with the needs of the individual. | |

| | | | |
|---|---|---|---|
| **6. Assess level of impact** | **2** | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>There are no negative impacts, but the positive impact is that the child or young person will receive more specialist care provided by a more highly skilled and trained workforce. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | This measure will impact upon CYP between the ages of 5-18. Positive impact is that the child or young person will receive more specialist care provided by a more highly skilled and trained workforce | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | Health needs will be better managed in the home environment and in the community rather than in the hospital. This will also support families and improve the quality of family life. | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | Approximately 19.7% of the CYP supported by SCDS are from black and minority ethnic communities. The 2011 census showed 21% of the under 18 population in Brighton and Hove are from a BME background. | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Monitoring will take place through casework supervision, transition tracking meetings, monthly budget monitoring and resource panels. CYPP meetings which is where the decision is made as to whether the CYP meets the criteria for funding. Equality data is collected through the assessment process. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>None |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Families, Children and Learning: Adult Learning Disability Assessment** | **2. Proposal No. 2** |
| **3. Head of Service** | **Cameron Brown, Head of Service 25+, Specialist Community Disability Service** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The Financial Recovery Plan proposes a saving of £1.100 million by reducing the spend on the Learning Disabilities Community Care Budget. The total net budget is £34.785 million<br><br>- Continuation of the 'Move On' project supporting adults with LD to move on from high-cost placements into new living arrangements which promote independence (£500k)<br>- Appropriate joint funding arrangements to be pursued with third parties i.e., Continuing Health Care funding (£250k)<br>- Improved transition planning arrangements for young people. The social work pod will seek to provide a greater focus on this high-cost area (£200k)<br>- Review of existing block contracts for outsourced services, to address any over provision and more effective utilisation of voids (£50k).<br>- Expansion of Shared Lives capacity to reduce existing higher cost placements (£100k) | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Vulnerable adults in the city are assessed in accordance with the Care Act 2014.<br><br>823 adults with a learning disability and / or autism have eligible needs under the Act and are currently receiving a service paid for via the Community Care budget. Services being provided are: Residential Care, Supported Living, Community Support and Day Options.<br><br>Any reduction in the community care budget will have a direct effect on the amount or the way support and care is offered. | |

| | |
|---|---|
| | Care costs are increasing with the cost-of-living crisis and the rate of inflation. There is also an increasing level of complex needs being identified resulting in higher care costs. This is a trend reflected nationally as well as locally. For people and their families there could be a perceived reduction in the level of service they receive or potentially a change in provider and approach, which can be unsettling for users and families.<br><br>**Disability**: managing these conversations will require staff to manage any changes in expectations carefully and skilfully. Direct payments must continue to be promoted (Care Act 2014) to deliver more creative and sustainable modes of support and care, which will also be more person centred.<br><br>**Ethnicity**: People from minority ethnic groups may continue to face disproportionate impacts, for example reduction in budgets for translators or for more in-depth work.<br><br>**Gender reassignment**: As we are trying to increase engagement with this group, and recent research shows that despite the city being 'trans-friendly' for people identifying as trans, discrimination, abuse and isolation are still a problem, thus any reduction in funding may impact negatively on any extra initiatives in this area.<br><br>**Sexual orientation**: Some LGBTQ+ people remain silent or hidden. At a time of resource realignment there is a risk that these groups become more distant or marginalised.<br><br>**Other groups**: People with Learning Disabilities who are in transition from Children's to Adults' services at this time of resource realignment may be adversely affected, as transition can take longer if not managed creatively and resources are not targeted effectively. This can mean young people with Learning Disabilities could experience a delay in accessing services they are entitled to when reaching 18, such as extra benefits.<br><br>The Care Act 2014 places a requirement on Local Authorities to assess Carers. Work provided by carers in the city is of huge value, representing a huge saving. Any threat including any funding restrictions could have a direct effect on carers to continue in their caring role. |
| **6. Assess level of impact** | **2** |
| | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** |

| | |
|---|---|
| **7. Key actions to reduce negative impacts** | The Care Act asks for more than just Adult Social Care to look to offer support to people, instead recognising that a city-wide approach must be embraced, encompassing all services from housing through to leisure, to enhance the lives of vulnerable people.<br><br>Therefore, a new asset-based approach is needed, a fundamental and radical rethink to help develop a new conversation with the public about how people, friends and families as well as communities can help people to remain independent.<br><br>The new Integrated Care System gives opportunities to reduce duplication and work in a more joined-up way to proactively identify those people who may be at risk of going into hospital or residential care and thus manage risk, help people to live life and have a good death. Together we will ensure improvements in consistency particularly around the giving of information and advice to service users in how to access information, and get support to manage their own care needs.<br><br>We aim to carry this out by:<br>• Providing individuals living with families support to manage and sustain their care arrangements for as long as possible.<br>• Ensuring the right level of support takes place in the most appropriate setting; maximising independence, health and wellbeing.<br>• Promoting direct payments as a means of stimulating more creativity and choice about how people can meet their eligible needs.<br><br>Technology must be available for people to be supported remotely and in a modern way from telecare through to telehealth and other technologies and a raft of equipment which can help people remain independent.<br><br>A new reviewing framework will invite our partners to join us in reviewing people in a timely way and is intended to release care capacity and target those most in need. Reviews will also include a focus on readiness to move on to more independence, and therefore release some resources for those who need more support.<br><br>New and VFM commissioning of appropriate supported living and accommodation services for people with Learning Disabilities will add to the savings in the long term and increase the quality of life for a small but significant cohort of people. |

| | |
|---|---|
| | An enhanced crisis provision service within the Community Learning Disability Team will provide targeted prevention work to the highest need service users in the city, working to prevent hospital admissions and placement breakdowns, which can result in higher cost placements being required in the future.<br><br>The Service will comply with the new Accessible Information Standards (S.250) of the Health and Social Care Act 2012.<br><br>Commissioners across Children's and Adults' services will work together with providers to prioritise assignment of resources and ensure that the additional focus on all protected groups can continue.<br><br>The lifelong pathway within the Specialist Community Disability Service also creates a greater focus and efficiencies for young people as they prepare for adulthood. |

## 8. Identify disproportionate impacts

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | Yes | This service is specifically for people 18 years and older with no maximum age threshold. It also works closely with children's services so young people in that transition phase will also be affected. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources, and ensure that the additional focus on these groups can continue. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | How to manage new conversations will require staff to manage any changes in expectations carefully and skilfully.<br><br>Direct payments must continue to be promoted (Care Act 2014) to deliver more creative and sustainable modes of support and care, however these are not appropriate | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |

| | | | |
|---|---|---|---|
| | | for a large majority of Service Users with higher support needs. | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **Yes** | People already in the minority prior to these savings may continue to face disproportionate impacts, for example reduction in budgets for translators or for more in-depth work. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |
| **Gender** (men and women, girls and boys) | **Yes** | Women tend to live longer than men and thus may experience the need for longer funded care. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **Yes** | As we are trying to increase engagement with this group, and recent research shows that despite the city being 'trans-friendly' for people identifying as transgender, discrimination, abuse and isolation is still a problem, thus any reduction in funding may impact negatively on any extra initiatives in this area | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **Yes** | The onus is on individual carers to assist people in meeting these needs, for example in accessing activities relating to their religion and the surrounding communities, all of which may be negatively impacted by reductions in funding. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources, so that additional focus on these groups can continue. |

| | | | |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **Yes** | Some LGBT people still remain silent or hidden. At a time of resource realignment there is a risk that these groups become more distant or marginalised. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **Yes** | People with Learning Disabilities who are in transition from Children's to Adults services at this time of resource realignment may be adversely affected as transition can take longer if not managed creatively and resources are not targeted effectively. This can mean young people with Learning Disabilities could experience a delay in accessing services they are entitled to when reaching 18, such as extra benefits. | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **Yes** | The Care Act 2014 places a requirement on Local Authorities to assess Carers.<br><br>Work provided by carers in the city is of huge value, representing a huge saving. Any threat including any funding restrictions could have a direct effect on carers to continue in their caring role | Commissioners across Children's and Adults services will work together with providers to prioritise assignment of resources and ensure that the additional focus on these groups can continue. |

| | |
|---|---|
| **9. Full EIA?** | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>• Service users will have their statutory individual Care Reviews<br>• Contracts will be monitored via the Commissioning and Performance Team |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Housing is a key player to deliver good support and care. Any significant reduction in access to suitable housing will have a direct effect on the Community Care Budget.<br><br>Public health as a partner is key in promoting wellbeing and healthy lives: this is critical to stem any future and immediate demand.<br><br>NHS Sussex are a key partner and currently there are some joint funding arrangements in place to share some community care costs for people being discharged from specialist LD hospitals. Any reduction in funding from the NHS Sussex would have a direct effect on the community care budget. |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **FCL – Integrated Team for Families, Youth and Parenting** | **2. Proposal No. 3** |
| **3. Head of Service** | **Debbie Corbridge** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Young people are responsible for the distribution of the £110,000 (reducing to £80,000 in 2023-24) allocated for the annual Youth Led Grants programme. Young people take a lead on how this money is spent, making decisions on the priorities, framework for allocating funds, writing bids and evaluating the bids.<br><br>The current agreed priorities for this programme are:<br>• Improving young people's mental health<br>• Reducing the harm from young people's alcohol and substance misuse<br>• Increasing volunteering and work experience opportunities<br>• Increasing opportunities for young people to participate in new and challenging experiences<br>• Supporting young people who have faced additional disadvantage due to Covid-19<br><br>The eligibility criteria include:<br>• Benefiting young people aged 11-19 (up to 25 if they have special educational needs)<br>• Ensuring distribution of funding takes into account the geographical areas of the city and groups of young people facing challenges in their lives, particularly around equality issues<br>• Working in partnership with one of the lead Youth Service Grant Providers listed above<br>• Succeeding in encouraging participation with the voice of young people being embedded across all work, broadening the area of influence for young people. Your project will have a clear approach as to how young people are involved in and shape the activities and be part of the offer.<br>• Operating in a manner compliant with the Equalities Act 2010 (see below)<br><br>The proposal is to cease the Youth Led Grants funding | |

| | | | |
|---|---|---|---|
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>All funded projects target disadvantaged young people. A reduction in funding would result in between 20 -25 youth projects not being funded. This would impact on young people aged between 11 – 19 years (up to 25 if they have special educational needs), particularly those with SEND, those financially disadvantaged, BAME young people, gender specific groups and those impacted by Covid (particularly worsened mental health). | | |
| **6. Assess level of impact** | 3 | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>To compensate for this reduction in funding a proportion of the Holiday Activity and Food (HAF) programme funding (if continued; dependant on annual spending review decisions) could be ringfenced for youth groups most impacted on to focus on providing holiday activities with a healthy meal for young people taking up free school meals.<br><br>Youth providers targeting these groups would be supported in seeking other funding opportunities | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |

| | | | |
|---|---|---|---|
| **Age** (people of all ages) | **YES** | This will impact on young people aged between 11 years – 19 years (up to 25 years if they have special educational needs). Less projects will be available to support them with the priorities outlined in section 2 | Agreement that a proportion of HAF funding is ringfenced for this age group and youth projects encouraged to apply for this funding (only applicable for young people eligible for Free School Meals) |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **YES** | This programme awarded 20% of this funding (in 2021-22) to specific programmes for young people with SEND. There would be a reduction in funded projects for this group | Agreement that a proportion of HAF funding is ringfenced for holiday activity programmes targeting SEND young people and youth projects encouraged to apply for this funding (only applicable for young people eligible for Free School Meals therefore will not fund 19–25-year-olds).Youth providers targeting this group to be supported in seeking and applying for other funding opportunities |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **YES** | BMEYPP and Friends, Families and Travellers were funded in 2021-22. These may not be funded in future rounds. | Agreement that a proportion of HAF funding is ringfenced for holiday activity programmes targeting BAME and Gypsies and Travellers young people and youth projects encouraged to apply for this funding (only applicable for young people eligible for Free School Meals).Youth providers targeting this group to be supported in seeking and applying for other funding opportunities |
| **Gender** (men and women, girls and boys) | **YES** | Specific groups for young women and young men were funded in 2021-22, addressing gender related issues. These may not be funded in future rounds. | Youth providers targeting this group to be supported in seeking and applying for other funding opportunities |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **NO** | No specific projects funded related to gender reassignment | N/A |

| | | | |
|---|---|---|---|
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **NO** | No specific projects funded related to religion or belief | N/A |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **YES** | Although no specific projects funded related to sexual orientation this financial year, Allsorts have been funded the past two years. These may not receive funding in future years | N/A |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **YES** | Projects funded that are based in areas of highest level of deprivation in the city, e.g., Whitehawk, Hangleton, Moulsecoomb. Young people financially disadvantaged are particularly targeted for the funded projects. There will less projects funded for this group in future. | Youth projects encouraged to apply for HAF funding (applicable for young people up to 19 years eligible for Free School Meals). Youth providers targeting this group to be supported in seeking and applying for other funding opportunities |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **YES** | Young people who have faced additional disadvantage due to Covid-19, particularly those whose mental health has worsened during this period. These projects may not be funded in future rounds. | Youth providers targeting this group to be supported in seeking and applying for other funding opportunities |
| **9. Full EIA?** | **No** | | |

| | |
|---|---|
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Monitor HAF applications and successful bids to check youth projects targeting these groups are applying and are successful with their bids. In addition, monitor those groups of young people impacted by the reduction of funding are being targeted in other HAF funded projects via HAF report. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>A reduction in the youth service and youth led grants programme would reduce provision to these programmes and cumulatively a reduction in services for young people. |

| | | |
|---|---|---|
| **1. Service Area** | **FCL – Integrated Team for Families, Youth and Parenting** | **2. Proposal No. 4** |
| **3. Head of Service** | **Debbie Corbridge** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The Youth Participation Team provide a range of services for children and young people who are/have been in care or receiving social work support; this includes youth advocacy, Children in Care Council, Independent Visitor Programme. The service also provides an accredited Youth Arts Programme and wider participation activities, e.g. Youth Council, Youth Wise.<br><br>The Youth Arts Award Programme targets young people aged 11 to 19 years (SEND up to 25 years) particularly Children in Care (CiC), Care leavers (with SEND) or young people who are emotionally distressed and are disengaged from education, training or employment. The workers (1.21fte) deliver and accredit the bronze, silver & Gold awards and their aim is to improve mental health and to re-engage the young people into education, training and increase employment opportunities<br><br>The proposal is to stop the Youth Arts programme. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>This would result in a loss of opportunity for the most vulnerable children living in the city, including CiC, who are disengaged from education, to achieve a nationally accredited award and reintegrate them back into education, training or employment.<br><br>In addition to CiC, the information provided highlights that young people aged 11 to 19 years (SEND up to 25 years), particularly LGBTQ+ young people, those living in poverty, young people with poor mental health, young women and young people with SEND will be disproportionately impacted on. | |

| | | | |
|---|---|---|---|
| **6. Assess level of impact** | 5 | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>Opportunities for this service to be funded by other services have been explored with no options found. The virtual school provide a service to children who are or were in care to support their education and improve their outcomes. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **YES** | This project targets young people aged 11 to 19 years (SEND up to 25 years). Those disengaged from education would stop being supported to achieve a nationally accredited award and reintegrate them back into education, training or employment | As section 7 |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **YES** | The Arts Award service collates data and the 2019 YPT EIA highlighted 55% of young people using the service have identified a disability on their referral form.<br><br>The award is carefully tailored and delivered to meet each individual young persons needs, resulting in a high level of | As section 7 |

| | | | |
|---|---|---|---|
| | | success in engaging and sustaining participation from young people with disabilities particularly young people with Autism. | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **NO** | The Arts Award service collates ethnicity data and the 2020-2022 data highlighted that 19% of young people using the service are non White British | As section 7 |
| **Gender** (men and women, girls and boys) | **YES** | The Arts Award service collates data and the 2019 YPT EIA highlighted 67% of young people using the service are female and 33% male; therefore young women would be disproportionally impacted upon | As section 7 |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **YES** | The Arts Award service collates gender reassignment data and the 2020-2022 data highlighted that 15% of young people using the service are non-binary or trans | As section 7 |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **NO** | No data available to evidence impact on this group | |

| | | | |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **YES** | The Arts Award service collates sexual orientation data and the 2020-2022 data highlights that 17% of the young people using the service are bisexual, gay, or lesbian | As section 7 |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **YES** | The Arts Award service collates child poverty data and the 2020-2022 data highlights that 46% of the young people using the service are living in poverty | As section 7 |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **YES** | This programme targets young people presenting with emotional distress (poor mental health), Children in Care, Care Leavers (with SEND) and other vulnerable young people that are disengaged from education, training, or employment. This would prevent them being supported to achieve a nationally accredited award and reintegrate them back into education, training, or employment<br><br>The award is carefully tailored and delivered to meet each individual young person's needs, resulting in a high level of success in engaging and sustaining participation from young people with severe mental health issues including young people who find engaging with other services difficult. | As section 7 |

| | |
|---|---|
| **9. Full EIA?** | No there is sufficient equality monitoring information held by the service to understand the impact of the proposal |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br>Via monitoring if the virtual school team are reaching this targeted group and if they can offer alternative programmes, numbers, demographics and accreditations gained will be evaluated within this service.<br><br>The Youth Participation team will monitor requests/referrals for support within the groups of young people adversely affected, the numbers of request that can be referred on to other services and report any gaps in support for those young people.<br><br>Possible increase in complaints if the service is no longer available/ further limiting options for those very vulnerable groups of young people, as listed previously. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>A reduction in the youth service and youth led grants would reduce provision to these programmes and cumulatively a reduction the young people that could have been directed to the Youth Arts Award. |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **FCL - Early Years and Childcare: service level agreements** | **2. Proposal No. 5** |
| **3. Head of Service** | **Jo Templeman** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br>Stop funding external Service Level Agreement's totalling £34,000:<br>• Early Childhood Project providing toy library and stay and play £13,000.<br>• Stop funding Bookstart post in Libraries Services totally £21,000 and move work in service | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br>**Equalities impact:**<br>The Service Level agreements fund external agencies to provide service to children and families, stopping funding may impact on their ability to deliver services including to disadvantaged children and families.<br>The Early Childhood Project funding support via toy library and stay and play sessions in the Tarner Children's Centre, withdrawing funding could impact on under 5s, women and disadvantaged families.<br>Options to be considered to support these groups via family hub transformation,<br>Withdrawing fund for the Bookstart post could impact on under 5s and women but this service will be bought into the family hub service and therefore continue | |
| **6. Assess level of impact** | **3** | |

| | |
|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>Service and support to be considered as part of family hubs transformation.<br>Family hub service to provide support for children and families as part of service offer. |

| **8. Identify disproportionate impacts** | | | |
|---|---|---|---|
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **Yes** | Impact on children under 5. Removal of funding would reduce the service for under 5s via creche, childcare and stay and play session. | Ensure families know how to access alternative support.<br><br>Ensure families can access family hub services. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **Unknown** | Service user data by ethnicity is unavailable and therefore impact cannot be determined. | |
| **Gender** (men and women, girls and boys) | **yes** | Impact on women<br><br>Any reduction in childcare provision disproportionately affects women who tend to take responsibility for these arrangements. The childcare workforce is overwhelmingly female | Where childcare provision closes we refer families to the Family Information Service for support in finding an alternative.<br><br>Ensure families can access family hub services.<br><br>A recruitment and retention crisis in the sector means that early years practitioners seldom face difficulty in finding alternative employment. |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | No disproportionate impacts | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **NO** | No disproportionate impacts | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | No disproportionate impacts | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **Yes** | The Early Childhood Project runs in Tarner children's centre area with a focus on supporting disadvantaged children. | Services offered via family hubs focussed on disadvantaged children and families.<br><br>Family Hub network linked to Tarner Children Centre and providing services.<br><br>Ensure families can access family hub services. |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **No** | | |

| | |
|---|---|
| **9. Full EIA?** | Further assessment required and data on service users is limited and therefore impact needs further investigation. |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Family hubs will have robust equality monitoring processes in place and will work with partner agencies to ensure ongoing support via family hub model. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Impact on Bookstart post in library service by ceasing funding. |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Employment and Skills** | **2. Proposal No. 6** |
| **3. Head of Service** | **Carla Butler (Head of Skills and Employment)** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>A reduction of £50,000 will end opportunities for paid placements within the council for disabled people of all ages. Placements have been low in number due to remote working and pandemic. Two have so far been funded in 2022/2023.<br><br>The project supports the workforce diversity agenda and the wider Fair and Inclusive strategy and City Employment and Skills Plan | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>**Disability**<br>The council would no longer facilitate paid placements for disabled candidates. Adults with a disability are disproportionally impacted by the pandemic and the paid placement scheme has supported residents move into work. | |
| **6. Assess level of impact** | **2** | |

| | |
|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>Increase opportunities for government pre-employment programmes. The Apprenticeship and Pre-employment Team will continue to expand unpaid placements through Sector Work Based Academy programmes, Traineeships, TLevels, Supported Internships and Work Experience. |

**8. Identify disproportionate impacts**

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | **No** | Adults with a disability are disproportionally impacted by the pandemic and the paid placement scheme has supported residents move into work. Placements are open to people of all ages | Expand unpaid placements through Sector Work Based Academy programmes, TLevels, Traineeships, Supported Internships and Work Experience. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **Yes** | Adults with a disability are disproportionally impacted by the pandemic and the paid placement scheme has supported residents move into work. These roles would not have been possible within individual service budgets. | Expand unpaid placements through Sector Work Based Academy programmes, TLevels, Traineeships, Supported Internships and Work Experience. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | | |
| **Gender** (men and women, girls and boys) | **No** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **No** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **No** | | |

| | |
|---|---|
| **9. Full EIA?** | Further assessment is not needed as this saving will not affect existing placements or staff; rather new council paid placements will not be available from April 2023 |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Candidates that may have come through the council's paid placement scheme will be diverted to other unpaid schemes. These will be monitored to track increase/decrease in participation. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>None identified |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Families, Children and Learning: Employment and Skills** | **2. Proposal No. 7** |
| **3. Head of Service** | **Carla Butler (Head of Skills and Employment)** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The Employability Service comprises of two teams – Youth Employment and Supported Employment. The Youth Employment Hub also sits within this service.<br><br>To reduce the Employability Service Budget by £210,000 would involve:<br>• Ending the work of the Supported Employment Team<br><br>The total gross budget for this service is £603,100<br><br>The council's Supported Employment Team works intensely with local people who have a learning disability and or autism to help them seek and maintain paid employment using the supported employment model of place and train. Staff provide support to the clients who are employees and their employer through training, job coaching and advice. The saving proposal will result in the supported employment offer ending. | |
| | **Highlight the most significant disproportionate impacts on groups** | |

| | |
|---|---|
| **5. Summary of impacts** | **Disproportionate impact on Disability**<br>• Support to residents in the city with a learning disability and or autism will be reduced. Disabled people are already disproportionately impacted in the labour market.<br>• No other service in the city replicates the work of the Supported Employment Team. The team currently supports a number of clients with a learning disability or autism to retain work, who without this intervention may lose their jobs, with a low likelihood of securing alternative paid work.<br>• The council will report on our corporate KPI of % of people with a learning disability in employment, rather than support through the Supported Employment Team.<br>• There will be no capacity within the service to provide support and leadership to networks supporting the delivery of the City Employment and Skills Plan. |
| **6. Assess level of impact** | **4** |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>Adults over 25 with disability or autism will be able to access support from the National Careers Service, third sector and DWP but not through the Supported Employment Model. Clients with a dual diagnosis of learning disability and mental health will be able to access Individual Placement Support (IPS) from Southdown's |
| **8. Identify disproportionate impacts** | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | **YES** | 18-24 year olds make up the majority of service users. | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **YES** | Negative effects:<br><br>The Supported Employment Team are trained in the supported employment process and systematic instruction; this experience will be lost within the city. Reduced support will be available to those aged over 25. | These impacts will be difficult to mitigate against due to limited specialised support in the city |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | People identifying as white make up most of the service users. | |
| **Gender** (men and women, girls and boys) | **Yes** | People identifying as male makeup majority of service users. | |

| | | | |
|---|---|---|---|
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **NO** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **Unknown** | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **NO** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **NO** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, | **NO** | | |

| | | | |
|---|---|---|---|
| looked after children, homeless people…) | | | |
| **9. Full EIA?** | **No** | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>We will continue to monitor % of adults with a learning disability in employment. These will be reported through the councils corporate KPI. We will monitor the impact through a new City Employment Skills Plan from 2023 and beyond. Unemployment figures are reported and considered at the Adult Learning Skills Partnership. | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>None identified | | |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Safeguarding and Care** | **2. Proposal No. 8** |
| **3. Head of Service** | **Anna Gianfrancesco** | |
| **4. Budget Proposal** | **What is the proposal?**<br>A £ 1.282m saving on the cost of agency placements for children in the care of Brighton & Hove City Council. This will be achieved by:<br>• continuing to work through the social work model of practice to hold the numbers of children in care, with an ultimate aim to further reduce them.<br>• We are working to further increasing the number of in-house foster placements and reducing reliance on more expensive independent provider provision.<br>• Provision of high quality, value for money provision though contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines.<br>• Agreed commissioning framework with health for children who need specialist accommodation when discharged from hospital.<br>• Block contract commissioned placements for some UASC<br>• Through the developed framework and commissioning in process for care leavers.<br>• Relationship based social work practice and the specialist adolescence service to continue to divert children from the care system.<br>• For those already in care, a stepping down to in house and/or less expensive placements.<br>• Continued scrutiny of placement costs contributing to a reduction in unit costs. | |
| | **Highlight the most significant disproportionate impacts on groups** | |

| | |
|---|---|
| **5. Summary of impacts** | This reduction in budget will impact only on children in care of the local authority. Over the last two years we have seen a national sufficiency issues regarding placements, for every 1 placement provided by external commissioned providers there are roughly 100 children seeking to be placed. This means that children with more complex problems, trauma, mental health are becoming more difficult to place, with providers choosing to take those children with less complex issues. It also means that providers will charge more for more vulnerable children. This is placing great pressure on the system and leaving our most vulnerable children at risk of no placement or being placed in unregistered provisions, which nationally are often the only ones who will take highly vulnerable children.<br><br>A reduction in the funding and planned reduction in the use of agency placements places more pressure on foster carers to manage young people whose needs are better met in residential provision.<br><br>Alongside this there has been a downturn nationally in the number of people coming forward to become foster carers. This also creates pressure on the care system and is resulting in young people who need foster placement being difficult to place. While we continue to recruit carers and have a high level of children placed with in house carers there is considered pressure overall on the care system, and the pressure of reduced residential placements adds additional pressure on foster carers to hold children who may be better placed in a residential provision.<br><br>The budget reductions leave us vulnerable to the open market and in part reduces our opportunity to expand and develop the in-house provisions as well as absorb the increasing costs of independent providers. |
| **6. Assess level of impact** | 4<br><br>We are a demand lead service and are therefore not able to reduce the demand as such, while doing everything possible to prevent children coming into care, when needed children are taken into care. |

| | | | |
|---|---|---|---|
| | Due to the pressure above it is likely that even reducing the numbers of children in care will not see the overall costs reduce. Any reduction in budget will make it hard to place our most vulnerable young people | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>We are extending the fostering plus scheme, to increase carers who care for the most vulnerable complex young people. We are developing a scheme along the lines of Mockingbird, a national programme to support foster cares via small community hubs, it is anticipated this will reduce placement breakdown and enable those requiring more support that may currently need to move to residential provision stay with foster carers. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **yes** | All the people this will impact will be under 18 and will be among the most vulnerable children in society, needing not only to be in care but those at risk of high-cost placement due to their needs | As above, continuing to recruit foster carers, development of foster plus placements and fostering hubs |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **yes** | Many of the complex, hard to place young people will experience either mental health difficulties or neurodiversity, or both. These disabilities create complexities in care and will put placements under pressure. Often resulting in these | As above and extending the small Children in Care mental health service, by an OT and some additional psychology hours. This will support carers to manage the complex young people in placement |

| | | | |
|---|---|---|---|
| | | young people needing externally provided specialist placements | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **yes** | 40% of children in care in Brighton & Hove are Black or from the Global Majority. Of which there are currently 41 UASC and this has to increase to 50 to be in line with the government requirements. UASC are often placed in external providers, due to their age and needs, any reduction in budget and reduction in the use of agency placements will not only affect the Black and global majority children in care but also on the commissioning of placements for the UASC young people as they arrive. | Exploring the possibility of further block tenders for UASC young people. |
| **Gender** (men and women, girls and boys) | **no** | 40% of the cohort are female and 60% male. | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **yes** | Several children in care identify as non-binary or trans, this may be as a result of trauma and the need for control over their identity, however these young people will often also have additional complex needs and vulnerability and may require | As above to develop fostering plus placement and fostering hub model to support carers to continue to place complex young people for longer and support step down from residential to fostering at an earlier point. |

| | | | |
|---|---|---|---|
| | | placement in more specialist residential provision. Cuts in residential placements will impact these young people. | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | no | | |
| Sexual Orientation (bisexual, gay, heterosexual and lesbian people) | no | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | yes | Children in care are more likely to have come from families in poverty, therefore any cuts in services that impact on children in care will impact on those children affected by childhood poverty | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, | Yes- children in care | This saving will only impact on children in care. These children are often the most vulnerable children in society, having experienced trauma, abuse and often abandonment by their birth families. While our aim would be for all children to be placed in a family environment, and therefore | As above to develop fostering plus placement and fostering hub model to support carers to continue to place complex young people for longer and support step down from residential to fostering at an earlier point. |

| | | | |
|---|---|---|---|
| looked after children, homeless people…) | | with foster cares, for some young people this is too much and too triggering for them and the best placement is a residential placement. Cuts in the use of residential placement will impact on these vulnerable children. | |
| **9. Full EIA?** | **no** | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Monitoring the use of placement via the fostering performance board and continuing to collect and analyse equality data of children in care | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. | | |

**Budget Equality Impact Assessment 2023/24 – <u>Service-Users</u>**

| | | |
|---|---|---|
| **1. Service Area** | **Health and Adult Social Care: Physical Support and Sensory Support / Memory & Cognition / Mental Health Support** | **2. Proposal No. 9** |
| **3. Head of Service** | **Steve Hook** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The overall net budget for this service area is £48,921,000 and the proposed saving is £2,365,000.<br><br>This is proposed to be done by continuing with the agreed direction of travel for Adult Social Care focusing upon reducing demand through several approaches:<br><br>• increasing the reablement offer to those who require it<br>• negotiating costs to the Local Authority with care providers<br>• reduction of long-term care placements through improved care pathways.<br>• increased use of assistive technology<br>• focus on preventative interventions, including advice and signposting<br>• increasing the Direct Payments offer<br>• maximising alternative funding and income options | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>**Disproportionate impacts identified on the following characteristics: Age (older), Disability (mental health, physical and sensory impairments)**<br><br>Community Care budget funds packages of care to meet statutory responsibilities across adult care groups apart from Learning Disability. Services include community support, home care, supported accommodation, residential and nursing care. The proposals could impact on all these service user groups. | |

| | |
|---|---|
| | Increasing the opportunity for reablement thus reducing the need for long term care will positively impact in that it will enable people to be more independent, requiring less ongoing care and the ability to stay living in their own home for longer. However, reablement is a short-term intervention, and if some long-term care is required after reablement this may require a change of service provider, which some people and families may find unsettling.<br><br>Increasing the use of assistive technology, and a focus on preventative interventions will have a positive impact in that it will enable people to live more independently for longer. However, some people and families may have concerns about living independently at home with assistive technology for support.<br><br>Increasing the offer of Direct Payments will positively impact in that Direct Payments offer more choice in care delivery for the individual. However, for some people and families a Direct Payment may cause anxiety to manage.<br><br>The proposed negotiated contract costs to the Local Authority and seeking additional funding options has no impact on service provision. |
| **6. Assess level of impact** | **2**: The Community Care budget is used to purchase services for a range of vulnerable people and their carers and proposals will impact on older people, people with mental health issues, a physical disability, long term conditions, sensory impairment, and those with substance misuse problems |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>• Assessments undertaken to establish care needs will be person centred and take into account individual needs and requirements<br>• Those in a caring role will be offered a Carer's Assessment and a person budget, in line with the requirements of the Care Act, to enable them to maintain their caring role and the right care is available<br>• The provision of a direct payment will be made where appropriate to enable choice and control of care provision<br>• Quality of commissioned care and reablement outcomes will be monitored. |
| **8. Identify disproportionate impacts** | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | Yes | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |

| | | | |
|---|---|---|---|
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after | No | | |

| | | | |
|---|---|---|---|
| children, homeless people…) | | | |
| **9. Full EIA?** | Potentially | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br>• The Annual User Survey will monitor effectiveness and any negative impacts.<br>• Customer Feedback monitors specific user experience.<br>• The statutory review process will also monitor impact.<br>• Quality Monitoring arrangements will monitor quality of care, linking with Care Quality Commission outcomes. | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br>Any changes in Health Service provision in the city can impact particularly on those people the Community Care budget supports. This will be closely monitored through the integrated health agenda and other joint planning mechanisms. | | |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Health and Adult Social Care: Assessment** | **2. Proposal No. 10** |
| **3. Head of Service** | **Steve Hook** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The budget for this area is £11,741,000 and the proposed saving is £246,000. This savings proposed are:<br>- To seek alternative funding for 2 x social work posts in the Hospital Social Team to support hospital discharge (£92,000)<br>- Review of the S.75 agreement in partnership with the mental health trust, including financial risk share arrangements (£122,000)<br>- Increasing fees and charges for services (£32,000) | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>A Section 75 (S.75) agreement is in place for the provision of Adult Mental Health in Brighton & Hove. This agreement is made under the S.75 of the NHS Act 2006 between a local authority and an NHS body which includes delegating certain NHS and local authority functions to the other partner. This partnership agreement allows budgets to be pooled between health and social care planners/providers and resources and management structures that can be integrated.<br><br>Brighton and Hove City Council (BHCC) have a S.75 agreement in place with Sussex Partnership Foundation Trust (SPFT) which is under review.<br><br>Review of the S.75 arrangement is not planned to impact on service delivery, focussing on funding arrangements and risk share agreements. However, knowledge that the arrangement for integrated working are being reviewed could cause anxiety for users of the service or their families that this could result in changes to services or ways that they are delivered.<br><br>Funding sources of hospital social workers will not impact on service delivery. | |

| | |
|---|---|
| | Increasing charges will impact users of the Carelink service. This fee is not means tested, so is applied across all users of the service. Fee increases are applied on a yearly basis, and service users are informed of the increases. |
| **6. Assess level of impact** | **3** |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>The proposed review of s75 arrangements is not planned to impact on service delivery to those with mental health needs in the city. A project board is in place to oversee the review and monitor any potential impact on service delivery. Service user involvement is planned within the ongoing project workstreams.<br><br>Service users who require the services of Carelink, but choose not to have them, may be engaged in a care assessment to ascertain the risk to them, and to consider alternative support. |

**8. Identify disproportionate impacts**

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | No | | |

| | | | |
|---|---|---|---|
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |

| | | | |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | |
| **9. Full EIA?** | No | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** | | |

| | |
|---|---|
| | The Executive Director for Health and Adult Social Care retains the responsibility for professional leadership and operational delivery for delegated services and will ensure governance arrangements support social work professional leadership and demonstrate a commitment to excellent social work practice, ensure that performance management systems and monitoring arrangements capture social work and social care outcomes as part of integrated arrangements, i.e. how lives are changed for the better and ensure that there are clear lines of accountability back to the local authority so that statutory duties and responsibilities are appropriately met. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Any changes in Health Service provision in the city can impact particularly on those people the S.75 arrangement supports. This will be closely monitored through the integrated health agenda and other joint planning mechanisms. |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Health and Adult Social Care, Commissioning** | **2. Proposal No. 11** |
| **3. Head of Service** | **Andrew Witham** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The net budget for this area is £3,441,000 and the savings proposal is £222,000.<br><br>Savings have been enabled by managing contract cost for services and managing system contract costs.<br><br>The savings proposals in detail are:<br><br>• Seeking alternative funding route for non-statutory community advocacy and community support worker contract. This element will continue.<br>• No inflationary increase to block contracts<br>• Managing inflationary uplift for community equipment service<br><br>There will be no impact on front line service delivery. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>No disproportionate negative impacts on service-users based on their specific protected characteristics are identified. | |

| | | | |
|---|---|---|---|
| **6. Assess level of impact** | **2** | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>None | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Standard monitoring practices such as Customer Feedback, Service Monitoring will be in place |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>None Identified |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Health and Adult Social Care: Provider Services** | **2. Proposal No. 12** |
| **3. Head of Service** | **Michelle Jenkins** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>The budget for this area is £6,511,000 and the proposed saving is £264,000<br><br>This is proposed to be achieved by:<br>• increasing fees and charges to services (£52,000)<br>• external rental income for an area of one of the buildings and increasing long term beds to enhance client contributions (£212,000) | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>The savings proposal in relation to increased fees and charges will impact on people who use the service who pay full cost, meaning they self-fund their care. This would increase the cost for in house residential and home care for this client group. The impact on these individuals would be that their services, if provided by in house services, would be more expensive per hour (for home care) and per week (for residential care). However, this group would have been financially assessed as having the funds to pay these costs. This group also have the option of receiving social care from the independent sector, though costs are comparable. | |
| **6. Assess level of impact** | **3** | |

| | | | |
|---|---|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | | |
| | Charges for social care are means tested and provide protection for people on low incomes. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | The services provide support for those mainly over 65 years of age. | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | The services provide support for those with mental health needs, including dementia. | |

| | | | |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | None identified | | |
| **Gender** (men and women, girls and boys) | None identified | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | None identified | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | None identified | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | None identified | | |

| | | | |
|---|---|---|---|
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | None identified | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **Yes** | The services provide carer support for those caring for people at home, providing residential respite care. | |
| **9. Full EIA?** | Yes | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>The Executive Director for Health and Adult Social Care retains the responsibility for professional leadership and operational delivery for meeting statutory need and will ensure governance arrangements support social work professional practice to ensure that statutory duties and responsibilities are appropriately met, and best practice is followed. | | |
| **11. Cumulative impacts** (proposed | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. | | |

| | |
|---|---|
| changes elsewhere which might worsen impacts identified above) | Any changes in Health Service provision in the city can impact particularly on those people impacted by this proposal. This will be closely monitored through the integrated health agenda and other joint planning mechanisms. |

| | | |
|---|---|---|
| **1. Service Area** | **EEC – City Transport – Transport Projects & Engineering - street lighting** | **2. Proposal No. 13** |
| **3. Head of Service** | **David Parker** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>To use savings that have been gained from the invest to save programme. This amounts to £300k reduction in management and maintenance of street lighting.<br><br>These savings have been earmarked as a contribution for the Historic Street Lighting Improvement Scheme. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>None of the protected groups are at risk of suffering a reduction in service.<br><br>Lighting units are being changed from filament bulbs to LED lights. Under the old filament bulb, when it fails the area of street will not be lit. With an LED system there are several LED units within the light, and so if a unit fails, there should be no noticeable reduction in lighting. This is ensuring safer streets.<br><br>By using the funding for the Heritage Street Lights, this will continue the use of LED units throughout the city. | |
| **6. Assess level of impact** | **1** | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | No actions identified | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | | No further assessment required |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | | No further assessment required |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | No further assessment required |
| **Gender** (men and women, girls and boys) | No | | No further assessment required |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | No further assessment required |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | No further assessment required |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | No further assessment required |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | No further assessment required |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | No further assessment required |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>The lighting levels will be monitored around the city along with complaints about street lighting. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>There should be no impact. |

| | | |
|---|---|---|
| **1. Service Area** | **EEC – City Transport - Parking Services – concessionary travel** | **2. Proposal No. 14** |
| **3. Head of Service** | **Charles Field** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed | |
| | Reduce Concessionary Travel payments to align with current patronage levels | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups** | |
| | The reduction of payments to bus companies for Concessionary travel passes issued is not actually reducing travel or number of passes issued. It would reduce the payments to the bus companies to reflect the current usage which is estimated to currently be at 70% to 75% of pre pandemic levels. The risk of this is that bus companies may choose to remove commercially marginal bus services which may have an impact on users. | |
| **6. Assess level of impact** | **2** | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |
| | Any surplus parking income is mainly spent on providing free concessionary bus passes for elderly and disabled people to encourage alternative sustainable transport choices. The proposed reduction in payments for concessionary travel is to reflect the current patronage figures which are lower than before the pandemic.<br><br>The hours residents of Brighton and Hove can use an older person's concessionary travel pass were extended to between 9.30am – 4.30am on weekdays and 24hrs a day on weekends. Those unable to use the concessionary travel pass can swap the pass for an annual allocation of £70 worth of Taxi Vouchers.<br><br>The hours residents of Brighton and Hove can use a disabled person's concessionary travel pass were extended to 24hrs a day. Those unable to use the concessionary travel pass can swap the pass for an annual allocation of £70 worth of Taxi Vouchers | |

| | | | |
|---|---|---|---|
| | | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | The proposal may lead to bus companies choosing to remove commercially marginal bus services which may have an impact on users. | If taken forward discussions would need to take place with the bus company to outlines the Council concerns. This is also linked to the potential supported bus services funding reductions from the Council. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | The proposal may lead to bus companies choosing to remove commercially marginal bus services which may have an impact on users. | If taken forward discussions would need to take place with the bus company to outlines the Council concerns. This is also linked to the potential supported bus services funding reductions from the Council. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **9. Full EIA?** | Not Required | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>We will monitor and analyse concessionary travel pass demand and maintain our regular dialogue with the bus company to ascertain the impact of this decision on their commercial decisions and any disproportionate impact that may have on any groups. | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. | | |

| Different Groups to be included in assessment | Possible disproportionate impact on group/s? YES/NO | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|

# Budget Equality Impact Assessment 2023/24 – Service-Users

| 1. Service Area | Economy, Environment and Culture: Parking Services Group | 2. Proposal No. 15 |
|---|---|---|
| 3. Head of Service | Charles Field | |
| 4. Budget Proposal | **What is the proposal?** Use the savings proposal wording and more detail if needed<br>• Removing all Parking pay & display machines across the city<br>• Extend all parking restrictions across the city to 8am-8pm<br>• Introduce new parking schemes across the city as part of ongoing priority timetable.<br>• Change low tariff zones for paid parking near the city centre to high tariff.<br>• Increase Paid on-street and off-street parking fees across the city by on average 10%<br>• Increase cost of resident permits by 6-9%<br>• Reduce the discount of low emission vehicles from 50% to 25%<br>• Conversion of all light touch schemes and event day schemes to full schemes over a 4-year period.<br>• Light touch parking schemes will not be a consultation option in future consultation<br>• Increase parking bay suspension fees by 20%<br>• Increase fee for parking dispensation permits | |

| Different Groups to be included in assessment | Possible disproportionate impact on group/s? YES/NO | Describe potential impact (positive effects and negative impacts or potential barriers) | Action/s (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| | The increases generate approximately an additional £2,080,000 income per annum of which £1,144,000 contributes towards EEC budget savings and the remaining £936,000 for the 3% inflationary increase requirement. This will meet traffic management objectives, including improving air quality, reducing demand and congestion as well as achieving a higher turnover of spaces and supporting economic growth in the city. | | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Any increase in price for fees and charges could lead to a decrease in demand from users, as the cost of parking becomes too expensive or off-putting for some. Members of the public may choose not to, or not be able to afford to, pay to park on or off-street due to price increases. This may disproportionately impact residents on lower incomes and cause an inclusion issue, as high parking charges may become a barrier to accessing facilities, services and jobs.<br><br>In particular, the removal of pay & display machines is likely to lead to cases of digital exclusion, as all users will be required to register and use an app to pay for their parking; not everyone will have or be able to afford a smart phone to do this. This may create additional barriers and disadvantage for some older and/or disabled people who rely on private vehicles / visitors to access facilities and services.<br><br>However, these proposals are in line with transport objectives of supporting sustainable and active transport options and reducing vehicle use in the city. Although, it is appreciated that not all disabled people can use public transport, walk or cycle to make the journeys they need to. | | |
| **6. Assess level of impact** | **2** | | |

| Different Groups to be included in assessment | Possible disproportionate impact on group/s? YES/NO | Describe potential impact (positive effects and negative impacts or potential barriers) | Action/s (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>Officers will work to ensure any negative impacts because of an increase in fees are avoided as much as possible. Fee increases are targeted at areas where parking is at capacity to help provide drivers with better access to currently congested areas. There is also good coverage of the city centre/seafront by our public transport network, so there are alternatives for people wanting to access these areas where we're increasing car park charges.<br><br>A discount for low-income households (based on council tax / housing benefit / universal credit) for residents permits is planned to be introduced.<br><br>The intention is to use pay point at newsagents etc for people who would have used a parking machine to pay their parking.<br><br>Any surplus parking income is mainly spent on providing free concessionary bus passes for elderly and disabled people to encourage alternative sustainable transport choices | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **Yes** | Age UK tell us that many older people face a difficult existence in retirement as a result of having a limited income combined with the extra costs of ageing. Increases in parking charges add to financial pressures. | The cost of professional carers' permits and carers permits remain unchanged to reflect the positive impact this brings to all members of society. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| | | Age UK report found here: lr-6064-age-uk-financial-hardship-final_v1.pdf (ageuk.org.uk)<br><br>The higher tariff charges in some current parking schemes and new parking schemes being implemented may mean carers have to pay more if they live in a different parking zone to the person they visit although there are carers' permit or visitor permits available.<br><br>Research carried out by Carers UK found that many unpaid carers experience financial hardship because of their caring role. Increases in parking charges will add to the financial pressures. Carers UK report found here: Research: Financial pressure of caring unpaid for a loved one intensifies over time - Carers UK | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **Yes** | Research carried out by the disability charity, Scope, found that the cost of living with a disability or families with disabled children is significantly higher than households with no disabled people. Transport was identified as one of the main drivers for this increase in costs. Increasing parking fees will add to financial pressures on these families. Scope report found here: Disability Price Tag \| Disability charity Scope UK | The ongoing work identifying Blue Badge fraud frees up parking spaces for eligible blue badge holders and we will continue with Blue Badge fraud investigation work to protect disabled bays from misuse.<br><br>Blue badges are issued to disabled people who are drivers or non-drivers allowing free parking for an unlimited amount of time in pay and display bays and free parking in disabled bays. Where the blue badge can be used has been extended to include all permit bays in light touch schemes which cover a significant |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| | | | area of the controlled parking zones in Brighton & Hove. |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | | |
| **Gender** (men and women, girls and boys) | **No** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **No** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **N/A** | | |

| | |
|---|---|
| **9. Full EIA?** | Yes for some elements of the proposal |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Regular review meetings are held to review on-street and off-street parking usage and there are also regular meetings with the Disabled Car Users group to identify issues and areas of concern. We will also review the waiting list of resident permits and analyse blue badge and concessionary travel pass demand.<br>Parking Services have applied for and been awarded the People's Parking accreditation. This scheme was set up to provide independent feedback about the facilities and public car park experience from a disabled user perspective, with regular monitoring and reviews.<br>Parking Services have also received the Park Mark accreditation from the police for our off-street car parks as safe car parks to use. The Safer Parking Scheme is a national standard for UK car parks that have low crime and measures in place to ensure the safety of people and vehicles. A Park Mark is awarded to each car park that achieves the challenging standards. The distinctive Park Mark signage helps drivers find car parks where they can confidently leave their vehicle, knowing the environment is safer<br>Parking Services produce a Parking Annual Report providing transparency and meaningful insight into the overall service including how and where funding is raised and distributed. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>We have expanded the Concessionary travel scheme for disabled passes for 24 hour use which will mitigate some of the impacts from increases to fees & charges by encouraging / improving access to public transport use |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **EEC – City Transport - Traffic Management – winter maintenance** | **2. Proposal No. 16** |
| **3. Head of Service** | **Andrew Westwood** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br>Reviewing the Winter Service to increase efficiency and reduce costs, including agency costs and impacts on wider Council operations. A review is planned to commence in early 2023 and will involve consultation with staff and service users | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br>There is no impact on any protected groups as the change will not affect the service users. | |
| **6. Assess level of impact** | **0** | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | None | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **no** | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **no** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **no** | | |
| **Gender** (men and women, girls and boys) | **no** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **no** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **no** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **no** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **no** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **no** | | |

| | |
|---|---|
| **9. Full EIA?** | Not needed |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Impact will be monitored through contract management. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>No |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **City Environment – Cityclean, Commercial Team – garden waste** | **2. Proposal No. 17** |
| **3. Head of Service** | **Rachel Chasseaud, Assistant Director – City Environment** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Increase the Garden Waste fee to £85. It is estimated this will generate £125k additional income.<br><br>The council currently provides a chargeable fortnightly garden waste collection to residents that sign up to the service.<br>The proposal to increase the cost to generate a surplus to reinvest in services. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>**There will likely be impacts on groups of people. The most disproportionately impacted groups will be:**<br>• Age<br>• Disability<br>• Child Poverty<br>• People without access to a car | |
| **6. Assess level of impact** | It is difficult to determine the level of impact as the service is demand led and customer equality data is not collected. There are other companies that provide garden waste collections. Residents can also dispose of their garden waste for free at one of the HWRS.<br>It is unknown how many customers fall within the disproportionately impacted groups and data is not available to analyse.<br>As an estimate, it is likely to be a small impact (2) on a moderate group of people (2). However, the data is not available to confirm this. | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | Continue to promote other means of disposing of garden waste, such as taking to the HWRS or using another service. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **Yes** | People of all ages on low incomes may be disproportionately impacted by the proposals, particularly the elderly and young, working families who might be on lower incomes. | Continue to promote other means of disposing of garden waste, such as taking to the HWRS or using another service. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **Yes** | Disabled people may have a lower income than other working age adults and so be disadvantaged in terms of the charges for waste. Disabled people are significantly more likely to be unemployed or in low-waged work than non-disabled people1. | Continue to promote other means of disposing of garden waste, such as taking to the HWRS or using another service. |



[1] www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | | |
| **Gender** (men and women, girls and boys) | **No** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **No** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | Yes | People on low incomes may be disproportionately impacted by the proposals. They may not be able to afford to pay for the service.<br>People without access to a car may be disproportionately impacted by the proposals. They may not be able to access the HWRS to dispose of the items for free. | Continue to promote other means of disposing of garden waste, such as taking to the HWRS or using another service. |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Budgets will be monitored. Equality data about customers and customer feedback will be collected to understand the demand for the service. |
| **11. Cumulative impact** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Another proposal is to increase the cost of the bulky waste collection service. There are other companies across Brighton & Hove who provide this service to residents. There are likely other fee increases across the council that will have an impact on the same groups as this proposal. |

| | | |
|---|---|---|
| **1. Service Area** | **City Environment – City Parks – Parking at Parks** | **2. Proposal No. 18** |
| **3. Head of Service** | **Rachel Chasseaud, Assistant Director – City Environment** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Remove the ring fence from Preston Park parking scheme and increase parking charges to align with on street parking. Increase the other current car parking charges at Stanmer Park and East Brighton Park.<br><br>In January 2023, Environment, Transport & Sustainability Committee rejected the lifting of the ring fences on parking schemes and extending paid parking to other car parks in city parks.<br><br>If this saving is taken, a revised proposal will need to be presented to a future ETS Committee to lift the ring fence at Preston Park where there is sufficient income to do so, and to introduce parking at specified car parking sites where there would be a benefit to the park and an opportunity to raise sufficient income to deliver an improvement to that park in addition to delivering a contribution towards this saving**.** | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>There will likely be impacts on all Groups of people. The most disproportionately impacted groups will be:<br>• Age<br>• Disability<br>• People on lower incomes | |
| **6. Assess level of impact** | It is difficult to determine the level of impact as it is not known how many park users travel to the city's parks by car, nor how long they park for. | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | There is good coverage of the city by our public transport network, so there are alternatives for people wanting to access parks where car parking charges will be introduced. Active modes of travel to and from the city's parks will also be encouraged. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | People of all ages on low incomes may be disproportionately impacted by the proposals, particularly the elderly and young, working families who might be on lower incomes and not able to afford the parking charges. | Promote active modes of travel to the city's parks and use of public transport |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | Disabled people may have a lower income than other working age adults and so be disadvantaged in terms of the charges for parking. Disabled people are significantly more likely to be unemployed or in low-waged work than non-disabled people2. | Promote active modes of travel to the city's parks and use of public transport |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |

[2] www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures

| | | | |
|---|---|---|---|
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** | Yes | People on low incomes may be disproportionately impacted by the | Promote active modes of travel to the city's parks and use of public transport |

| | | | |
|---|---|---|---|
| (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | | proposals. They may not be able to afford car parking charges. | |
| **9. Full EIA?** | No | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br>Budgets will be monitored.<br><br>The number of complaints about charging for parking in the city's parks will be monitored along with the demographic of complainants.<br><br>Where possible, data will be collected on park visitors' length of stay in the car park, the number of visitors using the car park and their demographic to ascertain if there is under usage by any particular groups. | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br>N/A | | |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **City Environment – City Parks** | **2. Proposal No. 19** |
| **3. Head of Service** | **Rachel Chasseaud, Assistant Director – City Environment** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Increase the current fee for allotments. This will save £45k. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Increased allotment fees may have a disproportionate impact on people living in low-income households or reduce equality of opportunity for groups who already do not use green spaces, exercise or eat healthy food less often.<br><br>Data is not currently available on the protected characteristics of allotment users.<br><br>There will likely be impacts on all groups of people. The most disproportionately impacted groups will be:<br>• Age<br>• Disability<br>• People on lower incomes | |
| **6. Assess level of impact** | **2 - Moderate impact on a small group of people** | |

| | | | |
|---|---|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>All allotment tenants will be notified of the proposed increase in rent and given sufficient notice of the proposed increase.<br><br>A concession will continue to be offered to people over the age of 60, disabled people, full-time students and residents on lower incomes. | | |
| **8. Identify disproportionate impact** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | People of all ages on low incomes may be disproportionately impacted by the proposals, particularly the elderly and young, working families who might be on lower incomes and unable to afford the fee increase. | Continue to offer concessions for people over the age of 60, full-time students and residents on lower incomes |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | Disabled people may have a lower income than other working age adults and so be more likely to be unable to afford the fees. Disabled people are significantly more likely to be unemployed or in low-waged work than non-disabled people3. | Continue to offer a concession to people who receive long-term disability allowance |

[3] www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures

| | | | |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |

| | | | |
|---|---|---|---|
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | People on low incomes may be disproportionately impacted by the proposals. They may not be able to afford the increased charge. | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | Yes | People on low incomes may be disproportionately impacted by the proposals. They may not be able to afford the increased charge.<br>Some protected groups are less likely to regularly access green spaces, get enough exercise, or eat fresh food etc. – there is a risk that increasing fees may place an additional barrier in the way of people benefiting from allotments in this context. | Continue to offer a concession to people on lower incomes |
| **9. Full EIA?** | Yes as equality data is unavailable for allotment users. | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br>Budgets will be monitored.<br>The number of complaints about the increased cost of allotments will be monitored.<br>Monitoring of allotment holders falling into arrears.<br>Feedback from user groups<br>Ongoing review of charges. | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br>There is potential that fees increase in other services across the council may have a cumulative impact for example the changes to parking fees at parks. | | |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **City Environment – Cityclean, Household Waste Recycling Sites** | **2. Proposal No. 20** |
| **3. Head of Service** | **Rachel Chasseaud, Assistant Director – City Environment** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Introduce charges for some types of waste at the two Household Waste Recycling Sites (HWRS). It is estimated this will save £80k.<br><br>The types of waste are soil, hardcore, plasterboard, bonded asbestos and tyres. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>There will likely be impacts on groups of people. The most disproportionately impacted groups will be:<br>• Age<br>• Disability<br>• People on low incomes | |
| **6. Assess level of impact** | 4 | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>Extensive communications will take place to let residents know that this charge will be applied and to forewarn them to include the cost of disposal in their budgeting for any home improvement works. | |

| 8. Identify disproportionate impacts | | | |
|---|---|---|---|
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | Yes | People of all ages on low incomes may be disproportionately impacted by the proposals, particularly the elderly and young, working families who might be on lower incomes and young people with limited income. | Communication to forewarn residents to include the cost of disposal in their home improvement budgets. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | Disabled people may have a lower income than other working age adults and so be disadvantaged in terms of the charges for waste. Disabled people are significantly more likely to be unemployed or in low-waged work than non-disabled people4. | Communication to forewarn residents to include the cost of disposal in their home improvement budgets. |



[4] www.gov.uk/government/publications/disability-facts-and-figures/disability-facts-and-figures

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | Yes | People on low incomes may be disproportionately impacted by the proposals. They may not be able to afford to pay for the service. | Communication to forewarn residents to include the cost of disposal in their home improvement budgets. |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Fly tipping will be monitored<br>Complaints will be monitored |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Many fee charges across the council may be impacting on the same groups of people |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Economy, Environment & Culture - Culture, Tourism & Sport –Tourism & Venues** | **2. Proposal No. 21** |
| **3. Head of Service** | **Howard Barden** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Introduce a £1.50 facility fee on all ticket sales at the Brighton Centre.<br><br>Reduce the annual subvention paid to the Brighton Centre from £1,334,000 to £1,234,000 (A reduction of £100,000) | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>The introduction of a £1.50 facility fee will impact on ticket buyers; ticket buying for events is a personal decision and the facility fee will form part of the overall cost to attend the event. The overall impacts on groups will be limited.<br><br>The reduction of the annual subvention will directly impact on the bottom line of the Brighton Centre and have limited impacts on protected groups. The shortfall will have to be made up through additional commercial activity or savings on additional expenditure budgets. | |
| **6. Assess level of impact** | **1** | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | None – although by introducing a £1.50 facility fee on all tickets purchased at the Brighton Centre, this may require clear and transparent comms as to the rationale for introducing a facility fee on tickets. Facility fees are generally considered as an industry standard, and many venues operate a facility fee on top of the purchase price of a ticket. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | The introduction of a facility fee may have an impact on the affordability of attending events at the Brighton Centre for customers who are on lower incomes. Disabled People are more likely to have lower incomes and spend a greater portion of their incomes on daily living expenses and therefore have less disposal income for leisure and social activities.<br><br>The reduction of the annual subvention will have no impact. | None |

| | | | |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Gender** (men and women, girls and boys) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |

| | | | |
|---|---|---|---|
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre.<br>The reduction of the annual subvention will have no impact. | None |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | Yes | By introducing a £1.50 facility fee, this will marginally increase the cost to attend events at the Brighton Centre. The introduction of a facility fee may have an impact on the affordability of attending events at the Brighton Centre for customers who are on lower incomes.<br>The reduction of the annual subvention will have no impact. | None |
| **9. Full EIA?** | No | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br>Ticket sales – monitoring of all ticket sales, especially more marginal/less popular events. | | |
| **11. Cumulative impacts** (proposed | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. | | |

| | |
|---|---|
| changes elsewhere which might worsen impacts identified above) | Other services across the council are likely to be increasing charges/fees and therefore households/individuals on low/fixed incomes may be impacted by multiple proposals. |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Economy, Environment & Culture - Culture, Tourism & Venues** | **2. Proposal No. 22** |
| **3. Head of Service** | **Howard Barden** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Stop the work of Visitor Services, including answering all visitor enquiries made by phone and email, cessation of the VisitBrighton volunteer Greeter Scheme, the City Champions Scheme and loss of 14 official Visitor Information Points across the city. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Stopping the work of Visitor Services, would mean:<br>•Closure of 14 official Visitor Information Points (VIPs) across the city.<br>•Loss of service responding to visitor enquiries made by telephone and email.<br>•Loss of the VisitBrighton volunteer Greeter Scheme.<br>•Loss of the VisitBrighton City Champions Programme.<br><br>The impacts will be on both residents and visitors to the city in terms of contact, signposting and information giving. Brighton & Hove welcomes 12.37 million visitors, of which 1.67 million usually stay overnight. The Visitor Economy is worth just under £1billion (£976.4m) in economic benefit and supports more than 24,000 jobs in the city, which equates to 17.5% of all employee jobs in Brighton & Hove. *(source: Economic Impact of Tourism 2019)*<br><br>Some of the key impacts will be:<br>• Potential negative impact on the economic value of the Visitor economy with the loss of business and leisure tourism. | |

| | |
|---|---|
| | • Loss of access to visitor information for residents and visitors who are unable to navigate digital information or who have specific information requests in order to facilitate their trip, which can often be related to accessibility (older people, disabled people, international visitors whose first language is not English)<br>• Loss of connectivity within the City's businesses engaged in tourism and VisitBrighton partners.<br>• Reputational issues, as this would send a message that Brighton & Hove are devaluing the visitor economy.<br><br>This proposal will also have an impact on staff currently operating Visitor Services – a separate analysis of staffing impacts will be undertaken in relation to budget proposals. |
| **6. Assess level of impact** | Medium - 3 |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>None. Accessibility support and promotion would be left solely to the businesses and attractions. |

| **8. Identify disproportionate impacts** | | | |
|---|---|---|---|
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |

| | | | |
|---|---|---|---|
| **Age** (people of all ages) | Yes | Loss of access to Citywide information to our residents and visitors.<br>More older visitors to the City who have difficulty accessing digital information are most likely to use the telephone and email service currently offered by Visitor Services.<br>Similarly, more older visitors are likely to use the Visitor Information Points, which distribute printed literature including City Maps; cessation of the service will mean Visitor Information Points are deleted as the current postholder trains VIP staff and collates and supplies materials to them on a regular basis. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | Yes | Loss of access to Citywide information to our residents and visitors.<br>Visitors with a disability will often require information specific to their own needs. They are likely to use the telephone and email service currently offered by Visitor Services to answer very specific questions. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | Yes | Loss of access to Citywide information to our residents and visitors.<br>International visitors are likely to use the telephone and email service currently offered by Visitor Services to answer their questions, which may be posed in their home language. The Visitor Services Officer employed is tri-lingual and is able to respond to enquires often in an enquirer's first language or utilise Google Translate to provide effective communication.<br><br>Similarly, international visitors are likely to use the Visitor Information Points, which distribute printed literature including City Maps; cessation of the service will mean Visitor Information Points are deleted as the current postholder trains VIP staff and collates and supplies materials to them on a regular basis.<br><br>International visitors are also the audience segment most likely to access information from City Champions and access the Greeter Scheme, whereby a local resident is matched with visitors with a specific interest, introducing them to the City through the lens of their specific interests on a 2 hour tour. The latest research shows in 2019-2022 visitors originating from 115 nationalities accessed information via City Champions. In the 2018 Visitor Survey, international visitors rated the welcome provided by City | None - this is stopping a service, and therefore the impacts cannot be mitigated. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| | | Champions 8.19/10 and the Quality of Service at Visitor Information Points as 8.31/10 | |
| **Gender** (men and women, girls and boys) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | Loss of access to Citywide information to our residents and visitors. | None - this is stopping a service, and therefore the impacts cannot be mitigated. |

| | |
|---|---|
| **9. Full EIA?** | Yes |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>N/A |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>No |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **EEC/CTS/Sport & Leisure/Seafront** | **2. Proposal No. 23** |
| **3. Head of Service** | **Mark Fisher** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Increase the seafront property income target/budget by £40,000 achieved by new lettings, lease renewals and rent reviews. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>None | |
| **6. Assess level of impact** | 1 = minimal impact on small number of people | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | None | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | | |
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | | |

| | | | |
|---|---|---|---|
| **Gender** (men and women, girls and boys) | No | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | | |
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** | None | | |

| | | | |
|---|---|---|---|
| (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | | | |
| **9. Full EIA?** | Not required | | |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** | | |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Cost of living and inflation increase will impact on seafront businesses along with all other residents. Rent reviews are generally undertaken based on market rates and comparable but are always static or upwards. This is written into the lease agreements so is standard practice at the time the rent review is due – usually every 5 years. | | |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Economy, Environment & Culture - Culture, Tourism & Sport – Sport & Leisure / Tourism & Venues** | **2. Proposal No. 24** |
| **3. Head of Service** | **Ian Baird** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Introduction of £1.50 facilities charge on all outdoor event tickets | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>• Likely to discourage smaller community events with limited ticketing administration<br>• Would push ticket cost beyond acceptable levels for many highly pressured audiences reducing attendance | |
| **6. Assess level of impact** | **1** | |

| | | | |
|---|---|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | | |
| | Reduction of the fee or exclusion of community/charity events would be advantageous. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | Yes | | |
| **Gender** (men and women, girls and boys) | Yes | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | Yes | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | Yes | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | | |

| | |
|---|---|
| **9. Full EIA?** | No |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>N/A |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Unknown |

**Budget Equality Impact Assessment 2023/24 – <u>Service-Users</u>**

| | | |
|---|---|---|
| **1. Service Area** | **Housing Needs & Supply** | **2. Proposal No. 25** |
| **3. Head of Service** | **Paul Cooper, Assistant Director Housing Needs & Supply** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br>Private Sector Housing & Integrated Housing Adaptations Service (Savings: £70k)<br>Reduction in baseline budget because of bringing part of the service in-house | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br>Impact is minimal. This has been an underspend in 2022/23 after part of the service being brough in-house in year with no impact to the service. The projected £70k is based on a full year saving, operating the service at the current level | |
| **6. Assess level of impact** | 1 | |

| | | | |
|---|---|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>None | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | N/A | N/A |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | N/A | N/A |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | N/A | N/A |
| **Gender** (men and women, girls and boys) | No | N/A | N/A |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | N/A | N/A |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | N/A | N/A |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | N/A | N/A |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | N/A | N/A |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | N/A | N/A |

| | |
|---|---|
| **9. Full EIA?** | N/A |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>N/A |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>N/A |

**Budget Equality Impact Assessment 2023/24 – Service-Users**

| | | |
|---|---|---|
| **1. Service Area** | **Housing Needs & Supply** | **2. Proposal No. 26** |
| **3. Head of Service** | **Paul Cooper, Assistant Director Housing Needs & Supply** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Temporary Accommodation<br><br>• Full year effect of the reductions made in 2022/23, including reduced block booked by 45 (Savings: £725k)<br>• Reduce need for 25 block booked properties by 31/10/23 (Savings: £593k)<br>• Improvement to void turnaround times. Reduces rent loss and council tax costs (Savings: £70k)<br>• Better Income Collection (Savings: £90k) | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Impact is minimal from an equality's perspective. This is a statutory service which is driven by demand (i.e., households who are homeless or threatened with homelessness and are owed a housing duty (both interim and main).<br><br>Although there is a risk in delivering this saving – especially in the context of an increased risk of homelessness due to the Cost-of-Living Crisis – the statutory duty remains. The risk is a financial one and is not equalities related. | |
| **6. Assess level of impact** | 1 | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?** | |

| | | | |
|---|---|---|---|
| | None | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | No | N/A | N/A |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | No | N/A | N/A |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | No | N/A | N/A |
| **Gender** (men and women, girls and boys) | No | N/A | N/A |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | No | N/A | N/A |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | No | N/A | N/A |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | No | N/A | N/A |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | No | N/A | N/A |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | No | N/A | N/A |

| | |
|---|---|
| **9. Full EIA?** | N/A |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>N/A |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>N/A |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Libraries Services HNC** | **2. Proposal No. 27** |
| **3. Head of Service** | **Sally McMahon and Kate Rouse** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Close Mile Oak Library. Current visitor numbers are only 150p.m. compared to 3,500p.m. five years ago and 1,000p.m. just before the pandemic. Other community libraries are currently at 60% pre-Covid levels whereas Mile Oak is at 15%. This library is the most expensive to run, currently working out at a cost of £19.02 per visit compared to 78p average per visit cost at other community libraries. Portslade and Hangleton Libraries are reasonably nearby to provide library services to residents.<br><br>Reduce staffed opening hours in all community libraries to a maximum of two days a week, running them as Libraries Extra for the other days where this is possible. The staffed days would vary across the city to ensure that there is a library open with staff within a reasonable traveling distance on every day of the week. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>Estimate Level 2 or 3, as children and vulnerable adults will still have access to a staffed library near by for 2 days a week, and within 2 miles in most cases for 4 days a week, as the city is relatively small; plus access to Jubilee library in the centre of the city for 7 days a week, and Hove Library for 6 days a week. | |

| | | | |
|---|---|---|---|
| **6. Assess level of impact** | | | |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>Ensure Hangleton & Portslade libraries are open with staff different days of the week over 4 days, to provide access to a staffed library for people in Mile Oak that is less than 2 miles away. These libraries will also have Libraries Extra days the rest of the week.<br><br>Spread the staffed days in community libraries evenly across the city so that there is a staffed library within reasonable travelling distance, if more local library is operating as Libraries Extra.<br><br>Consider recruiting volunteers to help library users self-serve when libraries operate as Libraries Extra. Subject to H&S and safeguarding assessments. | | |
| **8. Identify disproportionate impacts** | | | |
| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
| **Age** (people of all ages) | **Yes** | Children under 16 cannot use Libraries Extra alone, so the decrease in staffed days in community libraries and increase in Libraries Extra will disadvantage them. | Spread the staffed days in community libraries evenly across the city so that there is a staffed library within reasonable travelling distance, if more local library is operating as Libraries Extra. |

| | | | |
|---|---|---|---|
| | | People of all ages in Mile Oak area may find it hard to travel to access library service. However current data show very low numbers using current library. | Ensure Hangleton & Portslade libraries are open with staff different days of the week over 4 days, to provide access to a staffed library for people in Mile Oak that is less than 2 miles away. (1.7 miles to Hangleton Library, 1.8 miles to Portslade Library). These libraries will also have Libraries Extra days the rest of the week. They will also have Hove Library open 6 days a week and Jubilee Library open 7 days a week, both accessible by a good bus service. |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **Yes** | Some neurodiverse adults and adults with Learning Disabilities may wish to have support when using a library and this would be unavailable during Libraries Extra times | Spread the staffed days evenly across the city so that there is a staffed library within reasonable travelling distance, if more local library is operating as Libraries Extra.<br><br>Consider recruiting volunteers to help library users self-serve when libraries operate as Libraries Extra. Subject to H&S and safeguarding assessments. |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | | |
| **Gender** (men and women, girls and boys) | **No** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **Yes** | See comments under the Age section above. Children in poverty will find it harder to afford to travel to other libraries not in walking distance of their home. | Spread the staffed days evenly across the city so that there is a staffed library within reasonable travelling distance, if more local library is operating as Libraries Extra. |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | | | |

| | |
|---|---|
| **9. Full EIA?** | **No** |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Numbers of items loaned to children compared with previous year.<br>Feedback via comments and complaints<br>Survey of library users when this is next due. This can include a question to identify impact of reduced staffed hours on children in community libraries affected. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Not aware of any. |

| | | |
|---|---|---|
| **1. Service Area** | **HNC, Communities, Equality and Third Sector** | **2. Proposal No. 28** |
| **3. Head of Service** | **Emma McDermott** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br><br>Reduction of the Communities Fund – the annual VCS grants programme by £66,000. As an annual programme there is opportunity to reduce the budget ahead of the start of the new year's programme 2023/24. The fund predominantly supports grass root volunteer lead organisations being both a starter fund for new/small groups and building resilience for medium sized groups supplementing their own fundraising and volunteer time and acting as a validation to other funders.<br><br>The objectives of the fund are to improve wellbeing, build cohesion and promote fairness. The fund is an open competitive process. | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br><br>The Communities Fund is designed to target the council's corporate priorities which focus on the most vulnerable individuals and communities, increasing fairness and promoting social capital and resilience. The organisations funded through the programme are groups/organisations that work with and support communities with legally protected characteristics, and those who are marginalised and vulnerable, including those experiencing poverty/financial exclusion.<br><br>The proposed reduction in the programme's funding will result in:<br>• decreased capacity to meet some corporate priorities with specific impacts on characteristics protected in law<br>• reduced capacity for CVS groups which support community resilience and reduce reliance on statutory services<br>• potential wider impact on ability to attract additional match funding | |

| | |
|---|---|
| **6. Assess level of impact** | **3** |
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br><br>The reduction does not unfairly affect one protected characteristic more than another as it is not ringfenced to specific communities or residents with the exception of the BME fund (£15k) within the Communities Fund. Consideration will be given to exempting the BME fund when applying the saving.<br><br>All the Communities Fund is unallocated at the start of the financial year. |

**8. Identify disproportionate impacts**

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | **no** | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **no** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **yes** | Potential to reduce the ring-fence funding for BME groups | Consideration of exempting the BME fund when applying the fund. |
| **Gender** (men and women, girls and boys) | **no** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **no** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **no** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **no** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **no** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **no** | | |

| | |
|---|---|
| **9. Full EIA?** | No, using evaluations returned by previous years' applicants there is sufficient information about the beneficiaries of the fund over the years to provide information on those likely to be impacted by the saving. In addition, as noted above the fund is unallocated at the start of the financial year so impact on reduce budget can be monitored throughout the year. |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>Feedback will be sought from the infrastructure organisations in the city on the impact of the reduction on VCS organisations.<br><br>Each round of funding will be reviewed; considering the diversity of the applications and the awards made within the criteria and budget available. |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Reduction in the budget will impact grass roots community provision in neighbourhoods and to city-wide equality groups. Many of the groups/projects securing funding through the Communities Fund provide preventative measures that may to stop or be scaled back. As statutory services increasing looking to 'community' services and 'building social capital' as preventative measures for their clients a reduction in Communities Funding will impact in council's ability to facilitate these. |

# Budget Equality Impact Assessment 2023/24 – Service-Users

| | | |
|---|---|---|
| **1. Service Area** | **Safer Communities HNC** | **2. Proposal No. 29** |
| **3. Head of Service** | **Jo Player** | |
| **4. Budget Proposal** | **What is the proposal?** Use the savings proposal wording and more detail if needed<br>Agreed reduction in staff hours<br>Increase discretionary licensing fees by 6% rather than corporate rate of inflation<br>Cease field officer service with some reallocation of resource to statutory services | |
| **5. Summary of impacts** | **Highlight the most significant disproportionate impacts on groups**<br>No significant disproportionate impact on any one group | |
| **6. Assess level of impact** | **2** | |

| | |
|---|---|
| **7. Key actions to reduce negative impacts** | **What actions are planned to reduce/avoid negative impacts and increase positive impacts?**<br>Reallocation of some resource from field officer service to other statutory services and other administration priority areas. |

**8. Identify disproportionate impacts**

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant)<br>Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Age** (people of all ages) | **No** | | |
| **Disability** (a physical or mental impairment which has a substantial and long-term adverse effect on ability to carry out normal day-to-day activities) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Ethnicity/Race** (ethnic or national origins, colour or nationality, including refugees & migrants; and Gypsies & Travellers) | **No** | | |
| **Gender** (men and women, girls and boys) | **No** | | |
| **Gender reassignment** (a person who proposes to, starts or has completed a process to change gender.) | **No** | | |
| **Religion or Belief** (any religion or philosophical belief with a clear structure and belief system, or lack of religion or belief.) | **No** | | |

| **Different Groups to be included in assessment** | **Possible disproportionate impact on group/s? YES/NO** | **Describe potential impact** (positive effects and negative impacts or potential barriers) | **Action/s** (including details of a full EIA to be completed if required/relevant) Note: Actions should directly relate to the potential impacts identified. |
|---|---|---|---|
| **Sexual Orientation** (bisexual, gay, heterosexual and lesbian people) | **No** | | |
| **Child Poverty** (Children and young people in families living on less than 60% of national median income before housing costs. In B&H around 22% of all children.) | **No** | | |
| **Other groups relevant to this proposal** (Specific and relevant to the service, including but not only: carers, people experiencing domestic or sexual violence, looked after children, homeless people…) | **No** | | |

| | |
|---|---|
| **9. Full EIA?** | **No** |
| **10. Monitoring and Evaluation** | **How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**<br><br>N/A |
| **11. Cumulative impacts** (proposed changes elsewhere which might worsen impacts identified above) | **Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.<br><br>Not aware of any impacts from other services which may worsen the impact of these proposals. Environmental enforcement team may pick up some of the work currently carried out by field officers. |

# Business Framework – A Well Run Council 2023-27

# 1. INTRODUCTION

This Business Framework is a guide to how we will deliver our services to meet the pressing needs of the city, working within a challenging fiscal environment. It is accompanied by the Medium-Term Financial Strategy, which sets out a significant budget reduction and a sharper focus on our core business and essential services. Taken together these documents provide a framework for *how* we will boost our organisational resilience and deliver the priorities of the forthcoming 2023-2027 Corporate Plan.

During 2022 we asked staff to reflect on our Values and Behaviour Framework to think through what ways of working will need to come to the fore as we manage the challenges ahead. Staff emphasised the importance of working in a more agile and collaborative way to drive the innovation and improvement in efficiency that we will need to see. Section 2 sets out some examples of what our values and behaviours will need to mean in practice as we balance the scale of our ambition against and an uncertain economic and political landscape.

We don't underestimate the challenges ahead. Section 3 sets out the support our corporate centre will provide to help service areas adapt to the pressures they are facing while continuing to meet the essential needs of our communities. In November 2022 we asked staff what support they needed from each of our corporate pillars to work in a more efficient way. Suggestions included:

- Customer Services – strengthening our commitment to the One Council approach through further joining up the council's services, data and information systems to improve customer journeys and generate efficiencies
- Our People Promise – ensuring we have a high performing and resilient workforce well placed to respond to the challenges ahead with the right skills to support transformation and develop our approach to data and digital
- Digital, Data and Technology – making better use of our data and digital capabilities to understand and respond to the growing demand on our services in a more integrated way
- Accommodation Management – consolidating our office space to generate efficiencies and enable more agile, matrix ways of working, co-location and collaboration
- Good Governance – supporting more forward planning and strategic thinking, while streamlining processes
- Financial Resilience – supporting invest to save opportunities and clearly communicating the level and range of services the council can provide within the bounds of financial sustainability.

# 2. OUR WAYS OF WORKING

Our ambition is to be a well-run, high performing council. To achieve this alongside significant budget reductions means that we will all need to work in a different way. Through a process of consultation we have reflected on our Values and Behaviour Framework to think through what some of these values will need to mean *in practice* as we enter the new term with significant financial pressures and increased demand on our services. We set out below some examples of how our values and behaviours could play out in the years ahead.

## 2.1 Customer focus, openness and respect

As we review our budgets we will put the needs of our residents, communities and businesses at the centre of everything that we do to ensure that essential needs are met. In practice this can mean:

- Putting the needs and experiences of people at the centre of service re-design – for example, through co-design and co-production
- Recognising the diverse range of need across our communities, including how those in need access services, help or advice, and signposting to wider support
- Monitoring the impact of budget reductions to ensure different communities are not disproportionately affected
- Ensuring we proactively engage, listen and respond to feedback, and learn from lived experience to deliver effectively and efficiently
- Supporting strength-based approaches, which draw on an individual's assets and capabilities, to support longer term independence and resilience

### In practice

**Case study – Diverse Talent**

The council is committed to being a fair and inclusive place to work, with a workforce that is representative of our communities at all levels. Data published in our annual workforce equalities reports has shown that staff from Black and Racially Minoritised backgrounds are not proportionately represented in the middle and upper pay bands. In 2022, we piloted a Diverse Talent Programme to support Black and Racially Minoritised colleagues with:

- Personal and professional career development

- Increasing confidence to progress in careers

- Overcoming barriers in accessing opportunities and gaining promotion.

Our programme was offered to staff eligible to join the council's Black and Racially Minoritised Workers' Forum and who are employed at grades 3-6. Of the 15 people who took part in the pilot, four were promoted internally during the programme, with one external

promotion and all attendees reporting increased confidence. By nurturing and keeping the talent we have, we can better reflect our customers at all levels and reap the benefits that a diverse workforce brings. We are offering the Diverse Talent programme to BME staff again in 2023 due to the programme's success.

### Outcomes

- Residents, communities and businesses feel listened to, more confident in the services the council delivers
- Diverse participation shaping more innovative and impactful approaches
- Trust gained of under-served communities
- Stronger community resilience (e.g. reduced demand on key services and emergency funds through adopting strength based approaches) as the council steps back from some service areas

## 2.2 Collaboration

We will be an outward facing organisation. Collaboration requires upfront time and resource, but can improve efficiency and productivity, and lead to better outcomes in the longer term. We will commit to:

- Identifying where sharing skills and expertise, governance and resources can lead to greater efficiency savings – for example, working with partners to co-deliver shared priorities
- Recognising and addressing barriers to participation (such as accessibility) and collaboration (such as skills, time and resources), including building our own skills in collaborative leadership in order to better manage conflicting priorities
- Supporting a whole systems approach (for example, ensuring our governance structures deliver an Integrated Care System) to better meet need and achieve higher levels of efficiency
- Working across functional economic areas (such as across the city-region, as part of the Greater Brighton Economic Board, to join up skills, infrastructure and investment)

### In practice

#### Case study - Transforming early help services into a Family Hubs model of delivery

The council is undertaking a re-design of its Early Help offer to maximise efficiency and ensure families only have to tell their story once to get the support they need. This is being delivered through a network of four Family Hubs across the city, funded by the Department of Education's Transformation grant, with a commitment to deliver the transformation by March 2024. Teams based within the Family Hubs service provide families with a single access point to integrated, accessible, and seamless Early Help support.

Each Family Hub's offer will be locally defined as part of the design phase in co-production with families, communities and partners. An initial parent consultation has taken place and a Family Hubs Communications and Engagement Officer will proactively seek out local

parents, especially from under-served communities, to ensure they are able to shape the service offer through representation at all levels, from the strategic oversight board to decision making about the building layout. Staff will be trained in both relationship based practice and trauma informed models of delivery and engagement to ensure vulnerable and disadvantaged families receive a consistent approach to the support they receive, regardless of the service they access.

### Outcomes

- An understanding of whole system approaches to complex city challenges and how this can generate efficiency savings
- Participation and engagement is fair and representative of the city
- Shared governance structures support more codesign and codelivery
- A stronger city voice, with fewer resources, but greater influence and leverage

## 2.4 Creativity and innovation

We will identify opportunities for taking an innovative approach to addressing longstanding city challenges. We commit to always looking for a better way of doing things to drive efficiency and improve the way we work. In practice this can mean:

- Being agile (for example, evolving our approach to estate management to respond to changing working practices and financial pressures)
- Changing how we work to provide more joined-up, cost-effective services (for example, identifying opportunities for sharing budgets and targets across departments)
- Engaging diverse perspectives, making best use of data (including improved data collection and data sharing) and digital technology
- Scaling what works and diffusing learning across the system

### In practice

#### Case study - Covid Response Programme

In March 2020 the council established the Covid Response Programme which created a number of emergency response cells based around delivery of critical services in the city. A cell structure and governance arrangements were established that allowed for senior officer and member oversight and the involvement of partners. Expertise and resource was drawn from across council services and partners from the community and voluntary sector, health and care sector and business sector to respond to the challenges of the pandemic, ensure that the city's residents and businesses were receiving the support they needed and that relevant advice and guidance was being shared effectively. As national health interventions were rolled out the programme pivoted to focus on Recovery & Renewal to support the city's recovery.

Critical to the success of the response and recovery programmes was partnership working. The programme showed how quickly and effectively local services and sectors can coalesce around a citywide missions to deliver positive outcomes. It showcased the passion and

expertise of partner and sector colleagues from across the city, and the benefits that local knowledge can bring to a complex and fast moving situation. It demonstrated the council's ability to respond to a crisis and tapped into demand for local services to work more collaboratively on local priorities.

Regular highlight reporting made it clear what was being achieved on a monthly basis and the process was streamlined to serve as progress reporting to committee, maximising efficiencies. Decisions were taken quickly, and staff were empowered to act and work creatively to solve problems.

### Outcomes

- More diverse forms of engagement, participation and collaboration
- New approaches piloted, success scaled and replicated
- A forward thinking organisation open to change
- A smaller, agile council – data driven, fewer service areas and reduced overheads, more matrix and collaborative working

## 2.5 Efficiency and Impact

We will seek the most effective and efficient way of delivering our services and take advantage of social, cultural, environmental and technological change. We will streamline the way we work and reduce demand on services by preventing problems from arising or dealing with them early on. We will provide the best value for money and always aim for a good customer experience. This means we will:

- Demonstrate economy, efficiency and effectiveness in all our investment, particularly when compared to similar service providers
- Adhere to Best Value statutory guidance, including optimising social value
- Ensure evidence-based decision making and delivery (such as using data to enable more targeted service delivery), robust evaluation and monitoring – continually learning and improving
- Work across service areas and wider systems to integrate our support and identify more effective ways of meeting need, including a focus on prevention and early intervention
- Identify opportunities for devolution to secure policy levers at the appropriate scale and geography
- Support longer term financial sustainability, including lobbying for longer term financial settlements and reform of local government financing.

## In practice

### Case study - Digital Fostering

Foster carers are child care experts looking after children alongside a team of professionals from the council, in a highly regulated environment. This involves considerable information exchange between the council and hundreds of foster carers. The council is introducing a new digital system, designed around the needs of carers, to improve efficiency across the system. This will bring carers and professionals closer together, reduce the amount of administration, streamline procedures and make information and guidance easier to find. Carers and staff will have a clear view of outstanding and completed tasks and managers will have an improved understanding of how well the service is performing, while data will be more secure. The new system will support the recruitment and retention of carers, save the council money, and contribute to better outcomes for children and young people.

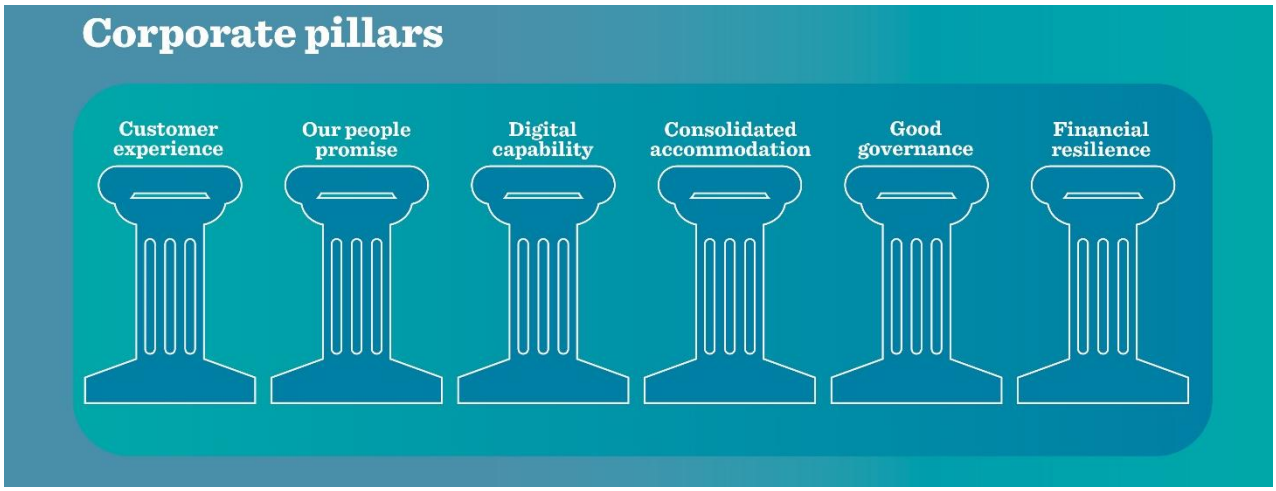
## Outcomes

- Continually assessing the actions in our plans to mitigate against differential impacts on different communities and enable fair outcomes for all
- More power and funding devolved, moving towards longer term financial resilience
- Reduced pressure on services over the longer term though an enhanced focus on prevention

# 3. OUR STRATEGIC APPROACH

We asked staff to reflect on these ways of working and think through what support they will need from the corporate centre to adapt to the financial pressures ahead. Investing in the skills for transformation and change, consolidating our office space, streamlining our processes, digitising our services and improving the quality of our data and the way in which we share it will help us to be a more agile council, more efficient and responsive to changing need, while boosting our own organisational resilience. This section sets out how our corporate pillars will help service areas to adapt.

## A Well Run Council – corporate pillars




## 3.1 Customer services

### Introduction

Our customers include everyone who lives, works, visits or does business in Brighton & Hove; we all use council services such as street cleaning and lighting, parks and culture. The definition of 'customer' includes those who actively interact with the council (for example, residents who live in council housing, or those buying a parking permit) as well as those the council must interact with, such as where we have a duty of care.

### Context

With over 290,000 residents, 10,500 Business Rate payers and over 9.5 million day visitors annually, the council delivers 375 different types of transaction through over 60 distinct service areas. The following structures and aims are in place to help us provide consistent, high quality service delivery across this vast range of services to all customers.

- The Customer Experience Steering Group, comprised of all key front line and support services, has responsibility for improving customer experience through developing the

strategic approach (the Customer Experience Strategy), implementing and monitoring its effectiveness through continuous engagement with staff and taking on board customer feedback gathered through focus groups and wider engagement activity. Customer Experience Ambassadors (CEA) are appointed within key services to create a direct link with front-line service delivery and anecdotal customer feedback.

- The Customer Experience Strategy brings together 5 key areas of focus to improve the customer experience (included in mandatory staff induction briefings):

    1. **The Customer Promise -** outlines the standards of service our customers can expect from us, against which we monitor performance

        - We will make it clear how you can contact or access our services
        - We will understand and get things done
        - We will be clear and treat you with respect

    2. **Customer Experience Vision statement** – "Getting things right first time, every time." The Vision sets out our ambitions for how the customer experience should look and feel. The vision has 4 principles – consistency, resilience, efficiency and improvement.

    3. **Learning from customer feedback** - so that we embed practices that our customers value and learn from mistakes to continuously improve the services we offer.

    4. **One Council approach** - where we all work together in the best interest of council customers, rather than silo working in our different departments.

    5. **Equalities –** to ensure our services are fair and inclusive and operate without discrimination.

Performance is monitored through:

- Weekly open complaints reports, shared with all directors, heads of service and managers responding to complaints, RAG rated by days open, to help identify the capacity required to meet response times and highlight overdue complaints.
- Quarterly Customer insight dashboard, shared with the whole organisation – including complaint types and volumes, complaint response times, telephone and email contact volumes and response times, councillor enquiry volumes and response times as well as the key learning from feedback identified that quarter.
- Annual customer insight report – including customer satisfaction, annual summaries of the contact volumes and response times across the range of channels and services, seen by the Policy & Resources committee annually.
- The Customer Feedback team - responsible for the complaints processes, including informal resolution, referring Stage 1 complaints to the relevant service, conducting investigations into Stage 2 complaints, providing the link between the council and the relevant Ombudsmen and supporting the services to meet statutory obligations. The team also log positive feedback to share best practice and understand what customers value. Quarterly performance reports monitor complaint volumes, response times, escalation rates and recommendations for improvement.

## Forward Plan

To deliver efficiencies, our operating model will remain needs based rather than preference based:

| Contact channel | Basic offer | Enhanced offer for complex transactions and/or higher support needs |
|---|---|---|
| Online / digital | > We are working towards making sure services are available online and easy to find to drive self-serve.<br>> Services communicate with customers online where appropriate including resolving queries. | > All relevant staff are able to provide support to access digital transactions and information about their services for those who need it, including for those who are digitally excluded.<br>> All staff are expected to provide a basic level of digital help and signposting to deliver a One Council approach.<br>> Corporate customer service advisors are available via central council phone line and at Customer Service Centres to support customers in accessing digital services. |
| Telephone | > Central council phone line is open 9 to 5pm to help customers with basic queries and signposting.<br>> Consistent live telephone offer is being provided by all key services for a minimum of 4 hours each day (9.30 to 1.30pm) aiming to have an average call waiting time of no more than 10 minutes. We are improving consistency to ensure phone lines have easy to access options and provide information about waiting times.<br>> Where relevant, customers are provided with individual phone contacts for specific officers. | > Services are strongly encouraged to extend their phone opening times adapting to customer needs. |
| Face to face | **Corporate Customer Service Centre (CSC)**<br>> At least one Customer Service Centre is open providing drop-in self-help area supported by customer service advisors including telephone and computer facilities.<br>> Customers are provided pre-booked appointments based on need. The drop-in offer includes support to book face to face | > Additional council contact points across the city are being explored as appropriate.<br>> We will explore formalising partnership working with other public and third sector organisations who are able to advise customers about council services. |

| | | |
|---|---|---|
| | appointments, working with the relevant service.<br><br>> Customer service advisors and concierge are able to arrange urgent face to face appointments with the relevant service, where absolutely necessary. | |
| | Service Specific buildings/reception points<br>This currently includes children's centres, social work hubs, libraries etc. Service provision is based on customer need and is regularly reviewed and adapted as appropriate by relevant services.<br><br>Visits and face to face appointments in the community<br>Visits / inspections / appointments are carried out as required to meet service and customers needs by relevant staff e.g. social workers, regulatory services and are regularly reviewed and adapted as appropriate by relevant services. | |

## Next steps

Our operating model will be continually reviewed to help us improve and deliver further efficiency savings. Areas for future development include, how might we:

- Strengthen our commitment to the One Council approach – through further joining up the council's services and information systems to improve customer journeys
- Maximise accessibility, including strengthening digital inclusion – such as through promoting our access points, our digital offer and how customers can access digital support; exploring telephone access from other council buildings; digital skills training for staff to maximise support for customers; direct digital skills support for customers; and making our customer service centres more accessible and welcoming. We will continue to design services to support self-serve, freeing up organisational capacity to support those who are digitally excluded or have more complex needs
- Improve our communication and manage expectation – clearly communicating the level and range of services we are able to provide within the bounds of financial sustainability, and signposting to wider support
- Improve customer satisfaction and experience – ensuring we have the right models of service, for example through mystery shopping to identify where customers may be experiencing issues, and proactively communicating when we know needs will not be met
- Engage more diverse voices and the under-served - to understand the barriers to accessing our services and how we can improve, building on the work of the Anti-Racism Strategy and the Accessible City Strategy.

### Case study – Digitising the parking service

During 2022 Parking Services has transformed the way it interacts with its customers through digitalising the service. Moving from receiving unstructured email contact to utilising a digitised contact form has helped us to answer enquiries quickly and efficiently. The forms prompt customers to provide us with all the information we need to answer their enquiry at the first point of contact.

Parking Services receive over 150,000 website hits a month, we know most of our customers want to be able to self-serve by finding information quickly and completing transactions or applications for parking online. Using the 'One Council' concept we aim to use information already held by the council to verify applications, reduce the customer journey, and increase customer satisfaction. The transition of resident Parking Permits has seen resident online renewals increase from 56% to 99.8%. We are continuing to develop systems that can work with future aspirations of virtual permits and direct debits - both of which aim to reduce the customer journey. As a result the service has improved processing time and become more efficient in all areas of customer contact.

# 3.2 Our People Promise

## Introduction

Our People Promise sets out how we will have a high performing, resilient and skilled workforce well placed to respond to the challenges ahead. It sets out how we will invest in the skills to support transformational change, including digital and data skills, leadership and business acumen. It affirms our commitment to increasing our diversity and enabling a culture of innovation and improvement.

## Context

Brighton & Hove City Council is one of the largest employers in the city with a workforce of approximately 3,979 full time equivalent staff (4,473 headcount). The workforce has reduced by nearly 9% since 2011 with changes to the shape of service delivery and transfers to alternative delivery models. The council still delivers many services directly and in some areas the workforce has grown, such as through in-sourcing or areas of policy priority. The council has however seen reductions in management posts, with around a 30% reduction since 2015, leading to significant capacity challenges.

Since 2017 a clearer employment offer delivered through *'Our People Promise'* and the implementation of our Fair and Inclusive Action Plan has seen improvements in the experience of staff. Since 2014 the council has seen results for employee engagement improve by over 20% and turnover remain steady at 12%, although with significant differences in turnover between services. Building on this success, we will continue to improve our employment offer and the development of our staff to support us in attracting and retaining the people we need now and in the future, and to be an employer of choice in an increasingly competitive labour market.

## Forward plan

We are focused on attracting, retaining and developing our future workforce to respond to the needs of the organisation. In the future our workforce will:

- Work increasingly in partnership with others to co-produce and co-deliver services
- Support customers to use a greater level of self service and a more digital interface
- Have more business focused skills to respond to the challenges of a constrained budget
- Have the skills needed for the future, such as in data and digital
- Work in an increasingly agile and flexible way to optimise the use of our accommodation

To achieve this, we need to be an inclusive employer with a workforce that lives our values and reflects our community and where people are respected, valued and empowered to do their best for the city. We have worked collaboratively with staff and trade unions to develop our people strategy (Our People Promise), built around five strategic priorities:

| Priority | Our Strategic Aim | Our Promise to each other | How we will deliver |
|---|---|---|---|
| Recruitment, Reward, and Resourcing | To attract and retain a skilled workforce that meets the council's changing needs, provide meaningful career paths and a modern package of rewards | We promise to say 'well done', recognise and reward you for great work | Investing and implementing a new recruitment model to provide strategic and professional support and ensure managers are upskilled.<br>Develop a social media and marketing strategy that enables the council to reach a diverse range of people and clearly communicates what the council offers as a great employer.<br>Greater support for career paths, apprenticeships, and progression (link to career grades and pay).<br>Implement a clear process for workforce and succession planning.<br>Review our pay and grading framework to ensure it is modern and fit for purpose, review career pathways (including opportunities for secondments) and review our package of non-pay benefits.<br>Change management processes, training and support to enable transformative change, including mentoring opportunities. |
| Learning, Development and Performance | To maximise organisational capacity and capability by continuously developing skills for the future, improving performance and engaging and motivating our staff to do their best work | We promise you opportunities to do your best | Digital and data skills development with a framework that supports digital inclusion, supporting customer and service transformation.<br>Improving skills that enable staff to work in partnership with others and to co-create services.<br>Improving business focused skills that support value for money, efficiency and income generation.<br>A strengthened and streamlined performance management process that supports continuous improvement, innovation and progression, with trust, support and recognition at its core.<br>A leadership development programme that supports leaders to innovate, transform services (inc. with digital and in line with the customer service priorities), enable and empower staff to lead through ambiguity, working collaboratively as 'One Council' and with wider partners.<br>Identify opportunities to fill skills gaps – from cocreation and partnership working to increasing business acumen.<br>Empower staff at all levels, nurture a culture of trust and support, encourage new ideas and innovation.<br>Improve visibility of the Executive Leadership Team. |

| | | | |
|---|---|---|---|
| A Fair and Inclusive Workplace | To be reflective of the community we serve and to embed equality, diversity, and inclusion at the heart of everything we do, with strong leadership to embed a positive culture where our behaviours are role modelled throughout the organisation | We promise that we will be a fair and inclusive place to work | Working collaboratively to implement a refreshed Fair and Inclusive Action Plan that drives and delivers continued improvement in the experiences of our diverse staff groups, as well as supporting delivery of the council's Anti-racism, Accessible City and other equalities strategies.<br>Ensuring that all our actions are data-driven and that the rationale for any positive action is clearly communicated to all.<br>Creating an Industrial Relations strategy and action plan to improve processes and to enable managers to work confidently with a range of staff and issues. |
| Wellbeing | To improve health, safety and wellbeing to demonstrate how we value and engage our workforce, keeping them healthy and safe so they can deliver for the city | We promise to support your wellbeing at work | Developing a flexible wellbeing offer for an increasingly diverse workforce. Provide a clear offer that supports financial wellbeing, signposting effectively alongside developing initiatives that support our staff.<br>Implement our Health & Safety strategy to improve risk management and the safety culture of the organisation. |
| A Good Place to Work | To build our reputation as a great place to work, and ensuring that our culture, and ways of working enable our staff do their best, | We promise you a good place to work so we can do the best for the city | Reviewing the culture change needed in the organisation to be our best and taking steps collectively to achieve that vision.<br>Accommodation Strategy including less office accommodation with flexible workspaces, hybrid working and pursuing joint working across other Public Sector bodies.<br>Improving internal communications to increase employee engagement and feeling of being valued.<br>Provide the people and culture change support required as we implement new policies and ways of working, including the business framework, corporate plan and future ways of working.<br>Developing a clear statement describing the role of line managers in Brighton & Hove, the key accountabilities of all line managers and develop the support and frameworks available to enable managers to do their best. |

## Next Steps

Implementation of Our People Promise, will outline our commitments to supporting, rewarding and equipping staff with the skills they need over the next four years. Clear action plans will be developed, and performance will be measured through our corporate performance data, our staff survey, our workforce profile and our success in recruiting and retaining the new skills required.

The Human Resources & Organisational Development team will work with management teams across the council to address the challenges we face, including supporting the organisation to enable the breadth of change required. Part of this will include managing the process when structures and roles need to change (including job evaluation, health & safety, supporting restructures, advisory services), as well as supporting wider cultural change to adapt to our ever-changing environment.

### Case study – the Wave

The intranet, known as the Wave, was hosted on a platform over a decade old. Home to around 6,000 documents and 1,000 pages of content, the site was difficult to navigate. A Senior Responsible Officer was appointed to champion the redesign of the Wave and develop a working prototype that would improve accessibility and functionality, to enable more effective information sharing and collaboration across the organisation. Phase I completed in November 2022 to deliver the Wave on a new modern platform (SharePoint). Phase II of the programme will now involve a full accessibility audit, converting documents into accessible web pages, with enhanced search functionality and the use of analytics of support further improvements over the longer term. Future enhancements will include digitising forms and looking at ways in which content could be personalised. The programme is supported by a staff engagement and training programme.

## 3.3 Digital, data and technology capability

### Introduction

Digital, Data and Technology (DDaT), in combination with the other organisational pillars, is essential to supporting the council and its services to deliver improved outcomes for our clients and customers, within the constraints of current fiscal pressures. The on-going investment and development of our capabilities will enable the council to respond more proactively to need and demand. It will enable quick and convenient access to council services, whilst also facilitating more efficient and effective administrative processes for staff. When combined with the right skills and culture, DDaT can provide the organisational capability and capacity to transform how the council works and what it does.

### Context

The council has invested in several DDaT areas in recent years, particularly in response to the changing ways of working and customer service expectations arising from the COVID-19 pandemic. Key developments in recent years include:

- Customer ‘MyAccount’: customer online account as a single-entry point for customers to access information and services and carry out certain transactions (with successful integration into Parking and Revenue & Benefits services)
- Microsoft applications suite (M365): new versions of communication and collaboration tools (M365) to support hybrid and mobile working
- ‘Customer Index and Viewer’: single central repository of core customer identity details and records for teams to look-up individuals
- Network remote access: modern platform to enable effective remote working
- Modern systems: a number of new key line of business systems introduced (such as in Health and Adult Social Care, Families Children and Learning, and Housing).

Given the critical role of DDaT in enabling the council's operational delivery and strategic imperatives there is a need for further development of DDaT capabilities at a pan-council and service level. The council's overall DDaT maturity rating is between Legacy and Steady State. This means the council has a significant way to go to realise the full opportunities from data, digital and technology.

A summary of the current maturity assessment is set out in box below.

### The council's current digital, data and technology (DDaT) landscape

**Foundational IT** - *the underlying technology infrastructure and systems that enables the organisation to use, store, access and share information internally, with partners and with residents in a secure and reliable way*

- Core infrastructure hardware and software foundations are in place, including rudimentary arrangements for availability, resilience, and recovery of systems

- Work is underway or identified within the investment proposal to address high risks and critical performance challenges.

**Data** - *how the organisation captures, stores, shares, uses and manages data to improve quality, relevance and availability to inform decision-making, drive policy, strategic change and ensure best outcomes for clients, customers and the city*

- There are inconsistent practices for data and information management, which can risk compliance with regulatory and statutory requirements

- There is a lack of culture and awareness for maximising the use of and value from the council's data, resulting in limited data sharing and join-up across services.

**Digital Organisation** - *the software and devices, skills, capabilities and culture for how the council choses to work with technology and data*

- New collaboration and productivity solutions are being rolled out and supported. There are mixed levels of workforce confidence and skills to use the available solutions.

- Telephony and devices (laptops etc.) will need to be replaced within the next 2 years.

**Digital Customer** - *how the council interacts with customers and supports digital engagement with clients, governs the adoption of a single council digital 'front door' for high volume, transactional services and manages electronic customer contact*

- Significant progress has been made in developing the council's digital capability and platforms

- MyAccount as the preferred council means of delivering digital access to residents for high volume transactions. However, not all high-volume transaction services make use of My Account.

**Service Systems** - *the service specific systems and technological enablers required to respond to statutory and regulatory changes and/or opportunities to enhance productivity and achieve operational efficiencies*

- Several core line of business systems have been recently upgraded or replaced

- Further work is required to modernise the full IT Application estate and make better use of technology and data innovation to support service delivery.

## Forward plan

The council's DDaT strategy (please see Annex A) defines the council's ambition for digital, data and technology. The strategy sets out what DDaT capabilities will be developed and how the council will use DDaT to improve how it works and delivers services. The direction and ambition are based on services key priorities that were identified as part of engagement with all directorates.

An illustration of the target outcomes enabled through the development of DDaT capabilities is as follows:

**Customers and Councillors**

- Customers' experience of carrying out simple transactions (e.g. making payments or bookings) and interacting with services meets their expectations
- Clients with more complex needs feel more supported and can have a better way of life with greater independence
- Councillors are assured that customers are content with how they access, contact and transact with the council and those clients with more complex needs can achieve better outcomes
- Councillors will be better able to progress with policy and strategic ambitions with a council that is working efficiently and with greater agility to respond to change.

**Leadership and Management**

- Leaders and managers will have the resources, tools and skills to continuously improve how their teams and services work
- Leaders and managers and their teams will be able to manage pressures and focus more and more on improving customer experiences and outcomes from their services
- Leaders and managers can access greater insights on service performance and demand to make more informed decisions on how to respond and adapt services
- Leaders and managers will be supported to develop further skills and learn the latest methods for driving business strategy and transformation.

**Staff**

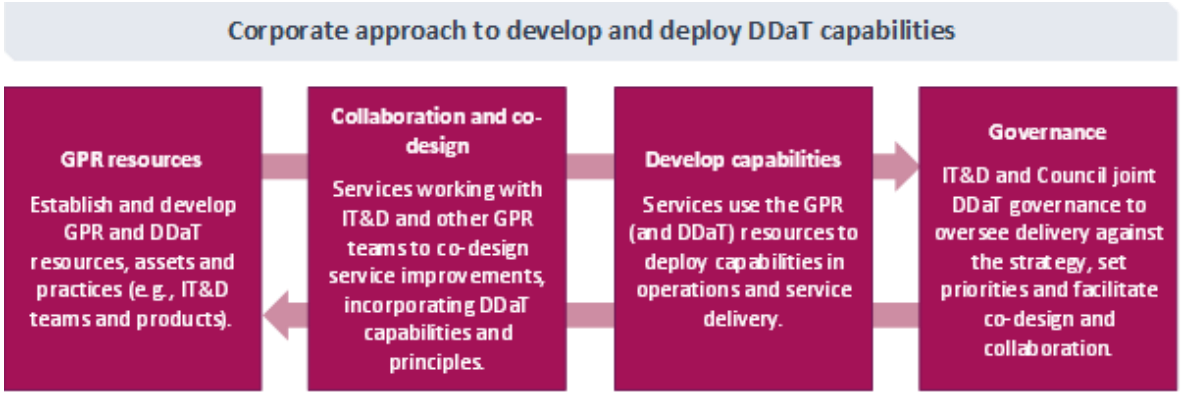
- Staff spend less time on manual tasks and more time on the high value-adding activity such as more complex client cases and service delivery improvement
- Staff are more informed to understand their customers and assets and are able to take prompt and effective action
- Staff can contribute to improvements to services and focus on more challenging work, meaning they can develop new skills and have greater fulfilment in their roles.

## Next steps

The journey to develop the capabilities and deliver on the ambitions is based on addressing current and emerging risks in the first instance, to ensure that the foundations are in place to be able to move forward. The immediate priorities for initial focus include ensuring that: existing digital customer channels remain functional, staff are supported to develop fundamental skills and awareness, services can use data to meet statutory responsibilities, and systems and data are recoverable. As well as focusing on these immediate priorities initially, there is a need to establish the required working conditions to deliver the strategy. The organisational approach set out in the strategy defines the framework and principles for

working on DDaT, which centres on collaboration and codesign between IT & Digital, Governance Policy & Resources (GPR) and wider service teams.

Governance will be established to oversee the delivery of the improvements to the DDaT capabilities and to support their use in transforming the way the council operates, centring on collaboration and codesign with service areas. The transformation will be people focused, not technology led - ensuring that the investment translates through to demonstrable service level improvements, better outcomes for residents as well as productivity gains.



### Case study – My Account

Launched in November 2019 on the council website, MyAccount allowed residents and businesses to register for an account and access new digital services provided by the council. Its initial launch incorporated integration with a third party system to provide access to Council Tax billing information and other services such as City Clean, Visitor Parking, and Schools Admissions, followed by the Resident Permits service. We now have almost 140,000 registered users of MyAccount.

MyAccount and related corporate solutions such as Contact Management have been built in a modular fashion that allows for wider re-use, more efficient build processes, and less expensive maintenance overheads.

Benefits of MyAccount include:

- By registering details once, residents can seamlessly access services without having to re-enter their information: details are automatically passed between MyAccount and the service application. For time poor residents, the benefit of having a single login for the council means only needing to remember one set of credentials.

- For the organisation, having a single 'front door' to point customers to, means that information provided by residents is much more likely to be consistent.

- MyAccount data provides an additional, high-value, 'feed' to our Customer Index data and helps us work towards a 'single view of the customer'.

- It also provides a solution that is an acceptable public 'norm'. Customers are used to having organisation-level online accounts for services such as banking and shopping. It brings the council up to date with cultural norms and standards and provides residents with a feeling of security that their data is being well managed and is within their control.

A forthcoming release of MyAccount will bring new features and improvements, including:

- An improved customer experience and mobile experience.

- Integrated 'move forms'; residents moving in, out, or within the city will have an improved experience and the data we collect will be written directly into one of our key line-of business systems. This is an important first step in meeting our 'Tell Us Once' ambitions.

- Additional form integrations. Initially, these will be some of our Parking permits which will be available to our residents and businesses as digital transactions for the first time.

## 3.4 Accommodation management

### Introduction

The council has a large property and land portfolio valued at over £2bn, including 576 council operational buildings from which services are delivered. Our future approach is to continue to make best use of our assets and manage the operational portfolio, aiming to consolidate our corporate office accommodation and identify opportunities for co-location with other services - identifying efficiency savings, supporting hybrid ways of working and improving customer service. These plans focus on corporate administrative buildings and neighbourhood hubs with co-located services in the East, Centre and West of the City - Brighton, Hove and

Portslade Town Halls, Barts House and Whitehawk, Moulsecoombe and Portslade hubs. It includes outlying large service offices, such as Hollingdean Depot and Moulsecoombe Housing Centre. Our approach will be predicated on the service-led hybrid working model and based on service need with regular reviews to ensure it is working and meets changing levels of demand.

## Context

A 2022 Staff Profiling review has been conducted to understand how services are using space. Prior to the pandemic occupancy levels were approximately 50%. Research has shown that at any one time organisations have approximately 30% of staff off on leave, sickness, or other absences. We are aiming for 70% occupancy across our corporate offices and will take the learning from the Barts 4th floor pilot, to create new working spaces which included trialling different types of touchdown and collaborative spaces, social meeting areas, stand-up and confidential booths.

### Phase One – Bartholomew House - 3rd & 4th Floors

Bartholomew House is a corporate open plan council office in the centre of Brighton in Bartholomew Square opposite Brighton Town Hall. The occupancy rate of Barts House is 18% and the 4th floor is currently vacant. The proposal is to exit Barts House in a phased way floor by floor, starting with the 4th and 3rd Floors. This is based on the principle of rationalising service demand through our Staff Profiling process, withdrawing staff from the floors and re-locating them where necessary to other corporate offices (Hove Town Hall in the main), in order to refurbish and rent out the space. The ground floor of Barts House may be retained as the central Customer Service Centre, subject to the outcome of the customer service review.

This approach has been informed by specialist property advice to identify market demand and future options. Consideration will be given to balancing revenue and savings against social benefit, sustainability, the customer experience operating model, and customer and client need. Leasing options include having a single operator, dividing the areas into smaller rentable spaces, or using a “flex operator” to manage the space as a serviced office with social value options. The delivery plan is ambitious. We aim to have a management agreement in place by April 2023, with new tenants filling the space throughout 2023-24.

## Forward plan (phase two)

The proposed changes to how we manage and use our space and property will support wider changes to how the council delivers its service provision. We are in the process of identifying operational buildings that require investment and those that are surplus to requirement to form the basis of a longer-term programme of disposals over the coming 5-10 years to make more efficient use of our space and maximise the revenue returns.

## Next steps

Our longer term accommodation strategy review will consider changing need and demand for services across the city and will remain live to ensure our approach is flexible and responsive to requirements. This will include a review of the future options for Bartholomew House, Brighton and Portslade Town Halls.

We will make best use of data, including asset management data on condition, utilisation and suitability of buildings to inform the process and aid service delivery decisions. Data and

evidence will include environmental sustainability objectives, staff live-work and travel data, public transport routes, market conditions, forecast advice, rental models, valuations, customer and user requirements.

### Case study – Our Workstyles Programme

The refreshed Accommodation Strategy based on the different ways of working following the pandemic is predicated on a hybrid working model, which has been introduced as part of the Future Ways of Working Programme. Our programme aims to make best use of our corporate office accommodation, ensure that we are providing the right facilities for customers and staff across the city with co-located service hubs and customer access in the east, centre and west. The programme enables staff to work more flexibly within the offices with hot desk arrangements across the estate.

Following a recent pilot trial, the programme aims to introduce new types of spaces into our corporate offices to enable a way of working that is less desk centric and more activity led. Office space will include social and collaborative project spaces, confidential pods, new quiet hot desk areas to allow for focused work and touchdown areas. 30 meeting rooms across our offices are also being upgraded to include new technology which will enable hybrid meetings to take place more seamlessly.

To date the programme has reduced our accommodation by 60% and made considerable savings of approx. £3-4m pa, reduced our carbon footprint by 22%, moved over 4,000 staff and led to approximately £30m in capital receipts.

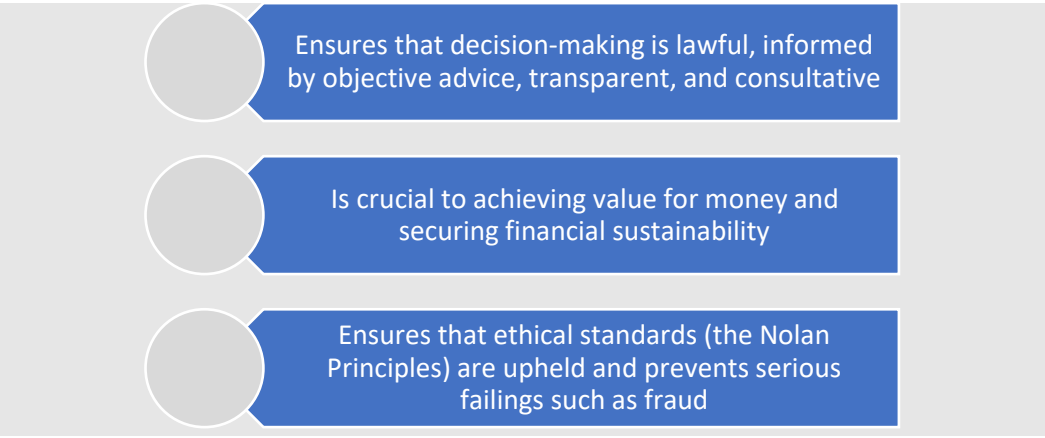
## 3.5 Good Governance

### Introduction

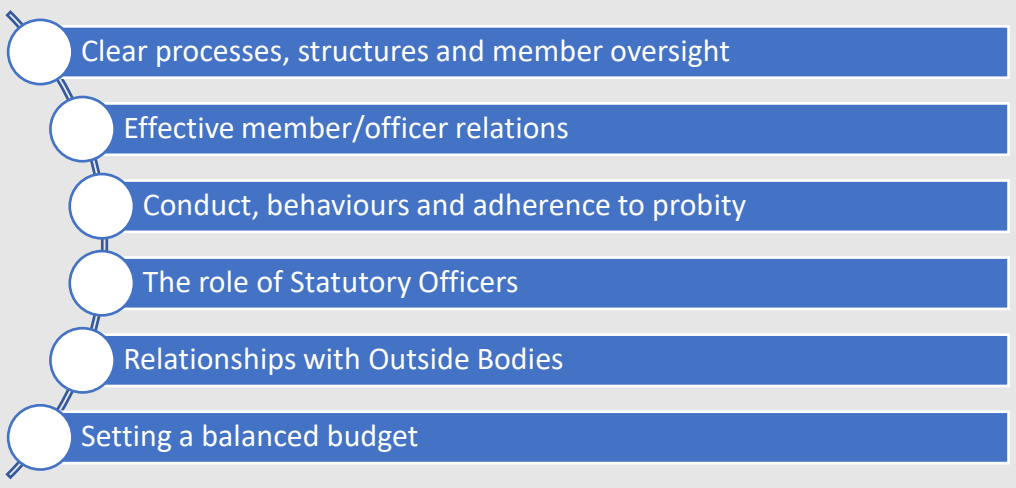
We will have robust governance processes in place that supports members and officers to do their jobs effectively and uphold good standards, while identifying opportunities to generate efficiency savings and maximise value for money. We commit to continually reappraise our processes and to review the balance between assurance and enabling greater agility and innovation.

### Context

Good governance in local authorities -



The key governance challenges are -




## Forward Plan

We will continue to ensure that clear process, structure and member oversight supports robust governance. This includes:

- The council's committee system – inviting public and member engagement and providing assurance on the risk management framework, the internal control environment, the integrity of the financial reporting and annual governance processes.
- The council's plans and strategies – agreed by members at Full Council, set out in the Corporate Plan, with follow through to Directorate and Service Plans where priorities and KPIs are reflected in PDPs through the Performance Management Framework.
- Additional officer structures - support the delivery of governance arrangements, such as the programme of internal audit reviews, external audit reporting, the Chief Executive's Governance Assurance Meeting, Performance and Modernisation Boards and Risk Review sessions.
- Effective member and officer relations - are ensured through approved policies and protocols which prioritise a culture of openness. The Member/Officer Code of Conduct sets out the process for addressing any issues that may arise between members and officers. Regular meetings with officers, such as Leaders Group, Member Working Groups, briefings and Committee pre-meetings, ensure that important matters can be raised and provide the opportunity for constructive challenge.
- Conduct, behaviour and adherence to probity - a local standards regime has been adopted by members which governs the ethical behaviour of members. Implementation is overseen by the Audit & Standards Committee, with two Independent Persons appointed. Customer feedback and learning from complaints is fed back to members through the Committee.
- Support to Members - Members are supported to do their jobs effectively as ward councilors, committee members and in Leadership roles. A Supporting Members Programme Board is in place, with members overseeing a programme of member training and the application of our Charter Plus accreditation for member development.
- Statutory officers - the Head of Paid Service (responsible for the use of resources), the Monitoring Officer (responsible for governance and standards) and the Section 151

Officer (the Chief Finance Officer with responsibility for finances) are members of the council's Executive Leadership Team to enable strong collaboration and links to decision makers.

- Relationships with outside bodies – are governed by the Protocol for Members Serving on Outside Bodies, which forms part of the council's constitution. Where the council has developed such arrangements, these are supported by the council's legal team as well as external legal advice, focusing on the potential conflict of roles for members and the need to ensure robust governance arrangements to protect the outside body and the council's interests.
- Setting a balanced budget - a financial plan for the council which is based on sound assumptions and shows how income equates to expenditure, with oversight by the Policy & Resources Committee, Audit and Standards Committee and External Auditors.

## Next steps

Our governance structures provide sound checks and balances to secure confidence and trust in our approach; however it is important that these are regularly reviewed to maximise efficiency, support collaboration and provide officers with space for greater agility and innovation. These processes will be continually reviewed to help us get that balance right. Areas for future reflection include, how might we:

- Break down barriers – where governance structures can support greater collaboration, both across the council and with our partners, for example relaunching our cross city partnership structures to enable greater codesign and codelivery of strategic priorities.
- Increase efficiency – identifying opportunities to streamline our processes (such as implementing a robust Committee Work Programme to support cross council collaboration and alignment, tracking committee decisions, optimising minute taking, digitising processes, and reviewing the balance of delegations and improvements to Procedure Rules to increase the efficiency of committee meetings).
- Enhance member support - such as through support in understanding and responding to community and stakeholder (including customer and client) feedback and delivering a Supporting Members Programme, with training on options appraisal, optimism bias and prioritisation.
- Continually improve performance – such as encouraging peer challenge and independent assessments (such as through the Chartered Institute of Public Finance and Accountancy and Local Government Association Peer Reviews), regularly reviewing performance management and monitoring processes to ensure that we are measuring the right things, and providing the space to pilot new approaches.
- Encourage forward thinking - a sharper focus on forward planning and a strategic (rather than reactive) system wide view (such as a focused modernisation programme centred on core strategic priorities for transformation).

### Case study - Councillor Enquiries Case Management system

Following feedback from councillors that communication and correspondence with residents could be improved, a review of councillor enquiries was undertaken in 2020. The review found that:

- The council's existing case management system was not being effectively used by councillors as it was not user friendly and had limited reporting functionality

- Councillors were contacting officers directly with a lack of clarity over who was best placed to respond

- Enquiries were not tracked or monitored corporately

- Data was not available on the number of enquiries received, the reason for the enquiry or the response rate

This led to some enquiries not being responded to, or services taking too long to respond.

Following the review, the council designed and built a system to structure and manage the contact between residents, councillors and council services enabling us to:

- Provide consistency across the organisation on how we respond to enquiries

- Be more efficient by linking the reason for contact to the best council officer to respond, ensuring a timely response

- Proactively monitor performance and ensure we are communicating with our customers in line with Our Customer Promise

- Provide a structure (through the online form) allowing us to collect the right information first time, without the need to follow up with residents

- Provide intelligence to understand why customers are contacting councillors, including data on volume, which is used to identify and inform services of emerging issues across the city and support them in driving improvements to customer experience

Over time we aim to identify trends in contact, using historical data to inform a communications strategy that will proactively pre-empt customer demand

Feedback from officers and councillors has been positive with councillors able to manage their casework from a single place, with oversight of their caseload and the progress of enquiries.

## 3.6 Financial Resilience & Sustainability

### Introduction

The council has adopted a medium-term planning approach to ensure that it is able to understand its longer term resource position and maintain financial sustainability. The Medium-Term Financial Strategy is maintained on a rolling basis and updated at least twice a year. Economic forecasts and indicators, including inflation and interest rates, are primarily taken from Office of Budget Responsibility (OBR) projections alongside local economic indicators. It includes detailed assumptions and estimates of costs, income, resources (taxation and funding) and demands, including the impact of projected demographic change on demand-led services. It reflects policy priorities driven by the council's forthcoming Corporate Plan and the revenue impact of approved capital investments.

Estimates and assumptions are based on latest trends and information available at the time, which can be variable. Therefore, budget planning for the following financial year, for which a balanced budget and Council Tax must be set by law, will normally consider a range of potential scenarios for costs, income and funding which can be combined to show a best,

midpoint and worst-case position. This approach is particularly important due to the absence of multi-year Local Government Financial Settlements and a range of other factors with increased levels of uncertainty including:

- The impact of global and national economic factors, which are currently driving higher costs e.g. for supply chains, labour markets, contracts, homelessness, capital investments and social care
- A period of significantly higher inflation which is also driving up pay, energy and social care provider costs as well as other supplies and contractual costs
- A cost of living crisis caused by high inflation and energy costs, which is impacting on the demand for council services
- Uncertainty over the financial impact of Social Care Reforms, expected to place additional financial pressures on local authorities
- Uncertainty over the government's funding and financing policies for local government.

The approach of estimating costs, income and funding, and considering different scenarios, enables early identification of potential resource shortfalls (or budget gaps) to inform the annual budget planning process and enable consideration and development of a range of short to medium-term measures to address predicted budget gaps over the MTFS period.

This is important for a number of reasons including:

- Ensuring that the development and approval of annual, balanced revenue budgets for the General Fund is undertaken in the context of understanding its longer-term financial resources
- Demonstrating that any use of reserves or balances in the short-term to support the budget is financially sustainable (i.e. repayable) in the medium term
- Ensuring that delivery of the council's Corporate Plan priorities and associated service planning are aligned with medium-term financial planning and sustainability
- Ensuring that the revenue implications of the Capital Investment Strategy are properly reflected in the annual budget and MTFS.

## Medium Term Financial Strategy 2023/24 to 2026/27

The approach to the 4-year Medium Term Financial Strategy (MTSFP) for 2023/24 to 2026/27 will follow on from previous years' practice of identifying savings proposals to address predicted budget gaps. However, the projected scale of budget gaps in the light of high inflation, increasing demands on services, and uncertainty over future financial settlements, mean that not only will more challenging savings options need to be considered, but that longer term strategies and measures need to be considered that may have longer lead-in times and may need to be profiled over the 4-year period. Achievement and delivery of these proposals is expected to require up-front investment through the Modernisation Fund, the level of which will also need to be considered as part of the overall budget package and MTFS.

In summary, the planning approach for 2023/24 to 2026/27 will contain the following key elements:

- Development of planning assumptions for inflation, tax bases, pay and pensions, capital financing and government funding

- Scenario planning for estimated changes in costs (inflation), demands or services ('Service Pressures'), income and funding to determine potential medium-term resource gaps
- Allocation of indicative savings targets to service directorates to use as the basis of developing savings proposals, using Medium Term Service & Financial Planning (MTSFP) pro forma to capture proposals
- A continued focus on generating additional income through fees and charges to protect essential services and plug the resource gap caused by annual below inflation spending power increases, including Council Tax capping
- Identification of Modernisation Fund resources and investments required to achieve change, savings and improvements over four years
- Identification of Capital Investment requirements to support delivery of Corporate Plan priorities for Education, Transport, Housing & Regeneration, Social Care, Carbon Neutral and IT & Digital
- Continually aiming for improved Value for Money (economy, efficiency & effectiveness) to underpin savings proposals
- Development of savings and investment options by considering the level of alignment with Corporate Plan priorities (using 'Guideline Criteria') and in the context of the flexibility available within the budget (informed by budget categorisation) much of which underpins statutory provision.

## Management and oversight

The council's financial governance framework is important to provide advance warning of in-year or medium term financial pressures so that action can be taken to avoid overspending and impacting on longer term financial sustainability. The component parts of the council's financial governance framework include:

- The Targeted Budget Monitoring (TBM) framework which ensures that all capital and revenue budgets are allocated to nominated Budget Managers with responsibility for managing within budget
- Monitoring of financial performance including savings delivery is through monthly TBM reporting via Budget Managers and Finance to DMTs and the Executive Leadership Team
- TBM reporting is also provided to members through the Policy & Resources Committee and monthly through the cross-party member Budget Review Group (BRG)
- Regular review of budget management, financial controls and systems by Internal Audit & Counter Fraud
- Review of financial management arrangements in accordance with the Cipfa Financial Management Code (this is currently in progress)
- Annual External Audit assessment and opinion on financial statements and arrangements for securing value for money, including maintaining financial resilience.

## Next steps

As we enter a new term of Administration we will ensure that we:

- Continue to set out how we can manage the impact of higher inflation, a recovering economy, the current cost-of-living crisis and real terms reductions in grant and taxation resources on the council's finances and service delivery

- Clearly communicate the level and range of services the council will be able to provide within the resources available to it while maintaining financial sustainability, including signposting to wider or alternative support as appropriate
- Identify and develop strategies to mitigate as far as possible any disproportionate impacts of budget reductions or constraints on inequality and vulnerable adults and children
- Ensure all service changes and commissioning decisions are designed collaboratively across services and with partners to maximise value for money and optimise the use of resources
- Ensure better strategic alignment of capital investment and Modernisation Fund investment with identified service change requirements
- Explore opportunities with partners to create more integrated models of service delivery, e.g. Family Hubs, to better manage service demand, alongside a continued focus on prevention
- Lobby for more power and funding for the city, longer term financial settlements and wider reform (such as in adult social care).

### Case study – The Modernisation Fund

The council utilises the government's current capital receipt flexibilities to provide an invest-to-save resource that can be used to fund service improvements and generate efficiency savings, underpinning the council's Best Value duty of continuous improvement. To date (2016 to 2022) the Modernisation Fund has invested £40.6m in modernisation programmes across the council, enabling the council to deliver £72.4m recurrent savings (£294.5m cumulative savings).

Over the period 2023 - 2027 the Fund will be used to support the transformation and change management programmes required to meet the Business Framework objectives. The Fund is approved by Budget Council and will be governed by the Corporate Modernisation Delivery Board and Directorate Modernisation Boards, which feed into the committee system for necessary approvals. Progress will be monitored through regular reporting, and through the Performance Management Framework dashboard.

# 4. CONCLUDING REMARKS

This Business Framework has set out how we aim to deliver our services and meet the challenges that lie ahead, including significant budget reductions across all service areas. Further work is now required to refresh our Leadership Behaviours and develop a programme of training and support to steer the organisation through this period of change.

We will have the opportunity to revisit these plans at the start of the new term as we develop a new city strategy and corporate plan. Engaging our communities and partners as we develop these plans will be a key programme of work ahead.

# Annex A: Digital, Data and Technology (DDaT) Strategy

## Glossary of key terms

| Term | Definition |
|---|---|
| *DDaT* | Digital, Data and Technology |
| *IT&D* | IT&Digital service |
| *DDaT capabilities* | The Council's 5 core capabilities for DDaT as defined by this strategy (*Digital Customer, Digital Organisation, Data, Foundational IT and Service Systems*). |
| *Council Business Framework* | The Council's guide to how it will deliver services to meet the needs of the city and deliver the priorities of the forthcoming Corporate Plan 2023-27. |
| *Council Corporate Plan 2023-27* | The Council's corporate plan for delivering a fairer city with a sustainable future. |
| *Council MTFP* | The Council's medium term financial plan setting out the financial context for the Council and forecasts for income and expenditure across revenue and capital budgets. |
| *Clients* | Residents with complex needs that are supported by specialist Council services. |
| *Customer Index and Viewer* | Single central repository of core customer identity details and records for teams to look-up individuals. |
| *Customers* | Brighton & Hove residents that interact with the Council. |
| *GDPR* | General data protection regulation |
| *M365* | Microsoft 365 productivity applications |
| *MyAccount* | The Council's corporate platform providing a single personal account for customers to access information and transact with services. |
| *Services* | The functions and teams that work to serve customers, including front-line and office-based staff. |
| *Transactions* | Refers to simple customer exchanges with services such as accessing information, reporting issues and making payments. |

# Executive Summary

### Digital, Data and Technology (DDaT) as part of the Council's Business Framework

Digital, Data and Technology (DDaT) is one of the Council's key pillars that forms part of the organisation's *Business Framework* and operating model. DDaT, in combination with the other organisational pillars, is essential to supporting and enabling the Council and its services to deliver improved outcomes for customers, within the constraints of the current fiscal pressures.

The DDaT strategy and its inclusion within the Council's Business Framework acknowledges the need to incorporate the investment, development, and use of the DDaT capabilities within the strategic business planning for the Council.

### The future direction for DDaT

The Council's ambitions for DDaT in the next 5 years is:

***To support and enable all Council services to deliver improved outcomes for customers, through the development of the DDaT capabilities.***

The DDaT strategy and ambition are underpinned by a set of key organisational drivers that focus on customer experience and outcomes, and how services and people work and develop:

**Key drivers for the Council**

**Our customers like how they interact with the Council and its services.**

**Our clients with complex needs are supported to achieve the best possible outcomes.**

**Our services can manage demands and pressures with productive ways of working.**

**Our people and services can continuously develop and adapt how they work and deliver services.**

Development of the 5 core DDaT capabilities to levels of good practice consistently across the organisation will help to deliver against the ambition and drivers. The ambitions for each of the DDaT capabilities are:

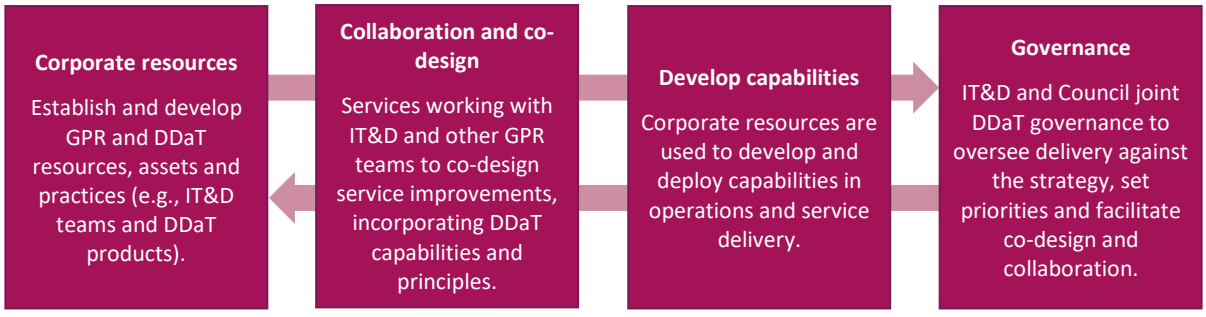
**Ambitions for the DDaT capabilities**

| Digital Customer | Digital Organisation | Data | Foundational IT | Service Systems |
|---|---|---|---|---|
| *Digital channels are used for all transactional services and meet customer expectations, with customers able to interact with 'One Council'. Services are designed with a customer-centric focus and digital tools are used to support more vulnerable clients.* | *Staff are able to get the most from modern productivity tools and available technology for service delivery and efficient ways of working. Leaders and managers embrace use of technology, digital and data to drive continuous improvement of services.* | *Consistent practices for data use, management, and reporting. High levels of data integrity and join-up, with a single view of customers and assets. Service delivery and decision-making is data-driven, with simple and secure data exchange between services and with partners.* | *Staff and teams are able to access applications and information securely, reliably and efficiently from all working locations, with remote and cloud-based systems, modern devices and telephony.* | *Modern line of business systems are in place, allowing for effective and efficient service delivery, with integration with internal and external systems. Systems are effectively managed at service and organisational level.* |

### Moving forward to deliver on the ambitions

The journey to develop the capabilities and deliver on the ambitions is based on addressing current and emerging risks in the first instance, to ensure that the foundations are in place to be able to move forward. The immediate priorities for initial focus include ensuring that: existing digital customer channels remain functional; staff are supported to develop fundamental skills and awareness; services can use data to meet statutory responsibilities; and systems and data are recoverable.

As well as focusing on these immediate priorities initially, there is a need to establish the required working conditions to deliver the strategy. The organisational approach set out in this strategy defines the framework and principles for working on DDaT, which centres on collaboration and co-design between IT&Digital, GPR and service teams. The core aspects of the approach are outlined below:



### Corporate and service level investment in DDaT

Development of the DDaT capabilities requires both corporate and service level activity and investment. This is based on a joined-up single Council approach with continued investment and development of the corporate DDaT resources, assets, and practices (IT&Digital teams, corporate technology platforms and tools, organisational DDaT practices and methods) which are used to develop and deploy capabilities in service delivery.

By investing in and developing the DDaT capabilities at corporate and service levels, and delivering on the ambition of this strategy, the following key outcomes can be achieved for Councillors and Customers, Leaders and Managers, and Staff:

## 1. Purpose of the strategy

The Digital, Data and Technology (DDaT) strategy defines the Council's ambition for digital, data and technology. It builds on the Council's Business Framework by setting the direction for building the organisation's DDaT capabilities in the next 5 years, from where they are today. It is a 5-year strategy for how the organisation will use DDaT to improve how the organisation works and delivers services, whilst putting the foundations in place to build towards a long-term vision. The direction and ambition are based on services' key priorities that were identified as part of engagement with all directorates.

The strategy also sets out how the Council will develop the DDaT capabilities and deliver on its ambition. This includes an organisational approach to DDaT moving forward that is based on developing and investing in corporate resources and assets to shape, design and enable improved services and outcomes for customers.

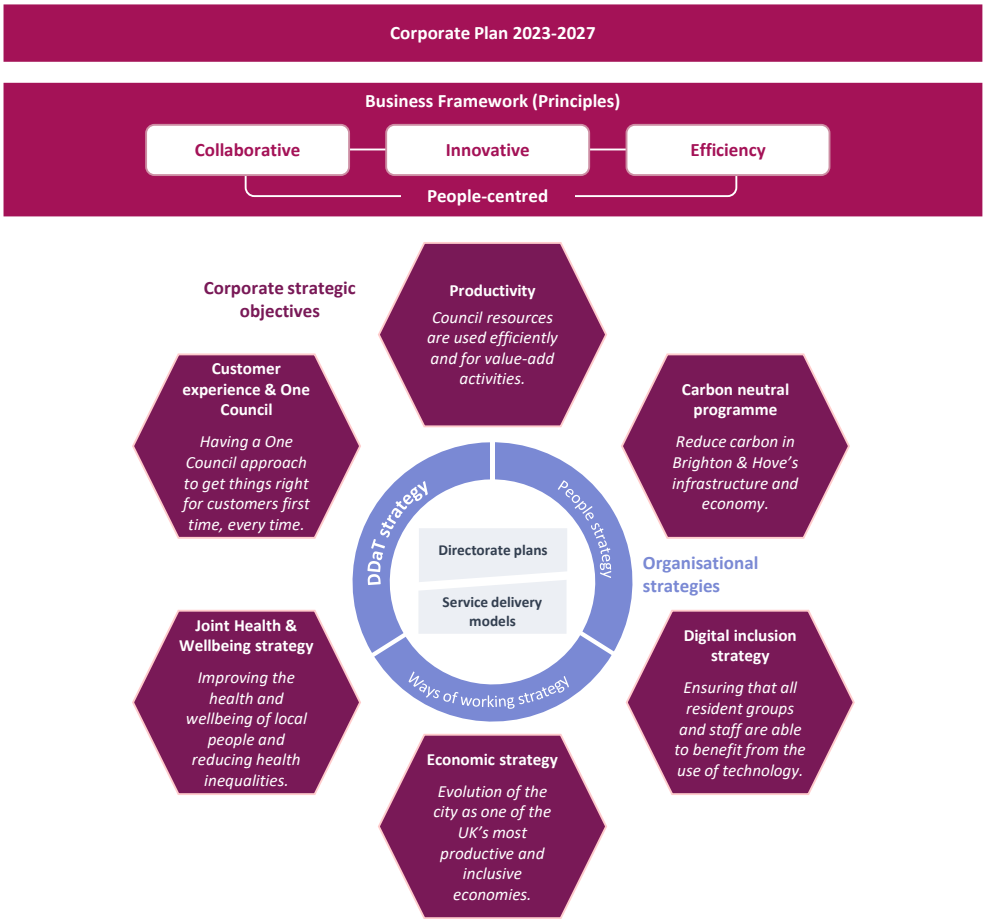
# 2. How the strategy works

## 2.1 DDaT as part of the Council's Business Framework

DDaT and this strategy sit as part of the Council's Business Framework, which defines how the organisation will deliver the priorities of the forthcoming Corporate Plan for 2023-2027. The framework sets the principles for how the Council will work and deliver services to meet the pressing needs of Brighton & Hove, within a challenging fiscal environment. DDaT will serve as one of a number of key organisational pillars to support the delivery against the Council's priorities and improve how the organisation and services work.

The Corporate Plan and Business Framework are underpinned by a series of key corporate strategic objectives and agendas (as outlined in Figure 1). The DDaT strategy sits alongside the *People strategy* and *Future Ways of Working strategy* as key organisational strategies that set the direction and approach for developing organisational capabilities. The DDaT strategy and its ambitions (in combination with the People strategy and Future Ways of Working strategy) will be delivered in practice through service's delivery models.

**Figure 1. An overview of the Council's strategic context**



The DDaT strategy and its inclusion within the Council's Business Framework is acknowledging the need to incorporate the investment, development, and use of the DDaT capabilities within the strategic business planning for the Council.

## 2.2 Structure of the DDaT strategy

In setting the future direction for DDaT, the strategy is made up of the following key elements:

- The Council's context and where it is today: Outlining the Council's current fiscal and local position, where it is today broadly with DDaT, and the key organisational drivers for DDaT moving forward
- The overall ambition for DDaT: Statement of where the organisation wants to get to with DDaT in the next 5 years
- The ambitions for each of the 5 core *DDaT capabilities*: Defining where the organisation wants to get to with the 5 capabilities to collectively deliver the overall ambition. These have been developed based on engagement with all directorates to understand service priorities. Definitions and summaries of each of these capabilities can be found in section 4 ('Where the Council is today with DDaT')
    - *Digital Customer*
    - *Digital Organisation*
    - *Data*
    - *Foundational IT*
    - *Service Systems*

- The organisational approach to deliver the ambition: Defining how DDaT capabilities will be developed through the joint working of corporate teams (including IT&Digital and other GPR teams) and Council services to deliver improved services and outcomes for customers. This includes an outline of the indicative investment required in corporate resources, assets and practices (IT&Digital teams, corporate technology platforms and tools, organisational DDaT practices and methods) and service-specific developments

# 3. Background and context

## 3.1 The Council local context

The current political and economic environment is an uncertain one for all local authorities and customers. The recent developments and emerging challenges in the UK economy are putting significant pressure on budgets, with limited local authority allocations from central government.

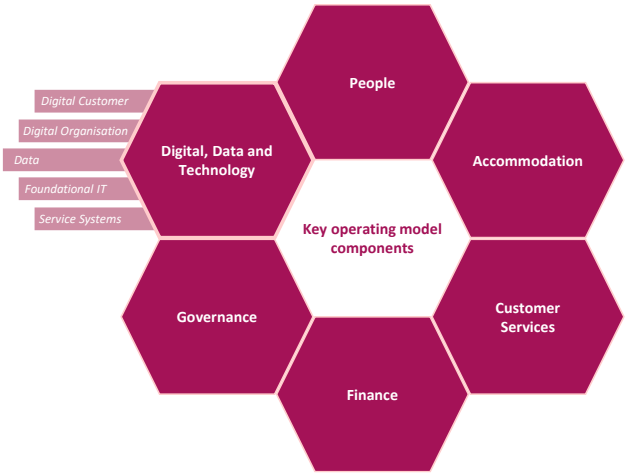
The impending fiscal pressures on the Council and cost-of-living challenges for customers means that the organisation is facing a period of greater demand to support local people, with constraints on resources to do so. With the objective of delivering on the Corporate Plan outcomes, the Council's focus in the next few years will be to ensure that services are able to work effectively to support local people through these challenging times.

This puts even greater emphasis and importance on the need for the Council to be able to respond to these local demands and pressures using the resources available in the coming years. Now more than ever, it is imperative that the Council has joined-up, effective and efficient services, with ways of working that allow our people to focus on the value-add activities and deliver the best outcomes possible for customers. DDaT and the organisation's other fundamental operational pillars are essential to supporting services to do this (see 'The Council DDaT context' below).

## 3.2 The Council DDaT context

DDaT is one of a number of organisational pillars in the Council's Business Framework, with a significant role to play in developing how the organisation delivers services (Figure 2). As mentioned in section 2, DDaT is made up of the 5 core capabilities that support and enable service delivery through integration and application of tools and practices by service teams into their working. The development and deployment of the DDaT capabilities going forward is dependent on the alignment and development of the other organisational pillars; all of the pillars need to be aligned and collectively developed to enable improved service delivery (Figure 2).

**Figure 2. An outline of the Council's key organisational pillars**




By way of an example of this interdependency, in order to develop the Council's data capability (how it uses data to inform decision-making and deliver services), this is not only dependent on developing the technology and methods, but also ensuring: there are clear roles for different uses of data; staff are equipped with the required skills and knowledge to use data in their roles; there is a culture for maximising use of data; there are defined processes and practices for data use and management, and consistent data management approaches and controls are in place.

The rapid changes forced on the council during the COVID-19 pandemic highlighted the dependency on DDaT to keep the council running and to be able to respond at pace to unprecedented service demands and challenges. It is also recognised that, in this digital age, the Council's clients' and customers' expectations of the Council are changing, and there is a need to continue to adapt to this.

Moving forward, DDaT has huge potential to enable the Council to proactively respond and enhance the way it serves its clients and customers, and other community stakeholders. It can enable quick and convenient access to Council services, whilst also facilitating more efficient and effective administrative processes for council staff. When combined with the right skills and culture, DDaT can provide the organisational capability and capacity to fundamentally transform how it works and what it does.

## 3.3 The Council's approach to DDaT

In recent years, the Council has invested in DDaT, with spend in this area comparable with other unitary authorities. Corporate investments have generally been focused on accelerating the development of specific capabilities, with 'spot' investment particularly in foundational IT and digital customer platforms. Whilst this enabled the Council to respond to changes in working practice and service delivery as a result of the COVID-19 pandemic, with the upcoming financial pressures there is a need now to define an organisational direction of travel for DDaT so that developments and investment are joined up and focused on priorities. This strategy enables this by setting the ambition for where the organisation wants

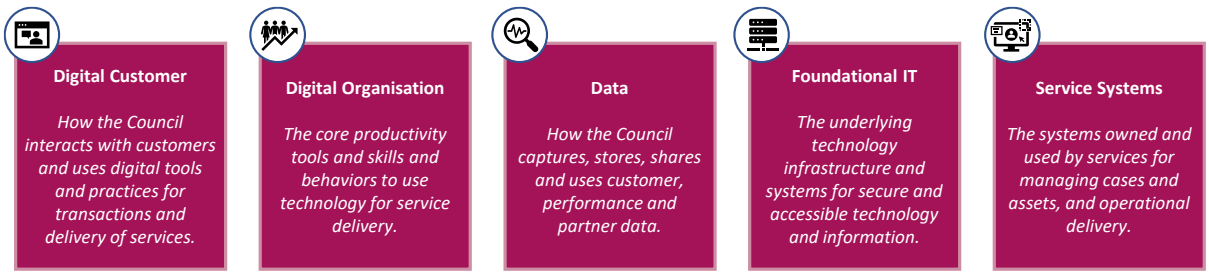
to focus development and investment in DDaT, whilst defining the approach for how it will do this and prioritise work moving forward.

# 4. Where the Council is today with DDaT

## 4.1 Organisational DDaT maturity

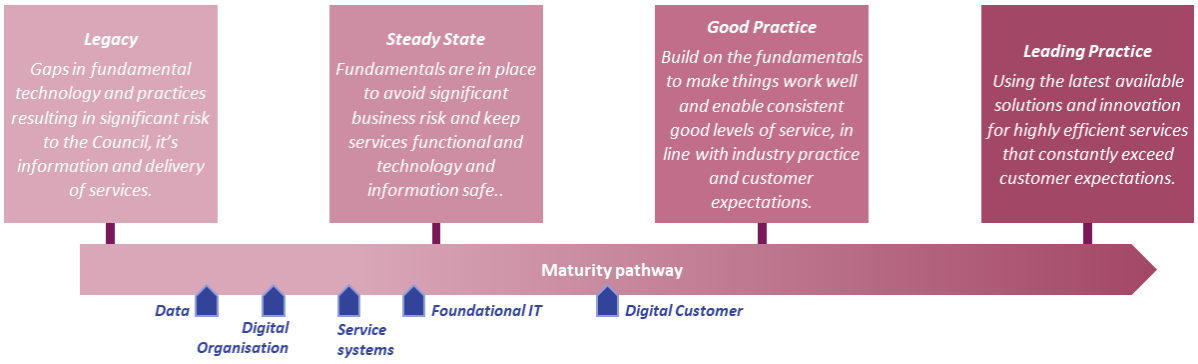
As a precursor to the development of this strategy a review of the Council's DDaT capabilities was carried out. In doing this, 5 core DDaT capabilities were defined: *Digital Customer*, *Digital Organisation*, *Data*, *Foundational IT* and *Service Systems*. The strategy is focused on the development and deployment of these capabilities in service delivery models. Summary definitions of the capabilities are outlined in Figure 3.

**Figure 3. The DDaT core capabilities**




A broad assessment was conducted through a process of engagement with directorates and IT&Digital to understand the maturity level of the 5 core capabilities across the organisation (Figure 4 for a summary of findings). Progress has been made in developing the capabilities in the last 5 years, particularly in the case of Digital Customer and Foundational IT. Whilst progress continues to be made, there is a need to focus efforts on pushing through with the development of the capabilities to enable step change in how the organisation works.

**Figure 4. A summary of the maturity assessment of the DDaT core capabilities**



The findings from the maturity assessment help to define where the Council is today and consequently, inform the ambition and direction for developing these capabilities moving forward. Details of the findings from the maturity assessment for each of the 5 capabilities can be found in Appendix A.

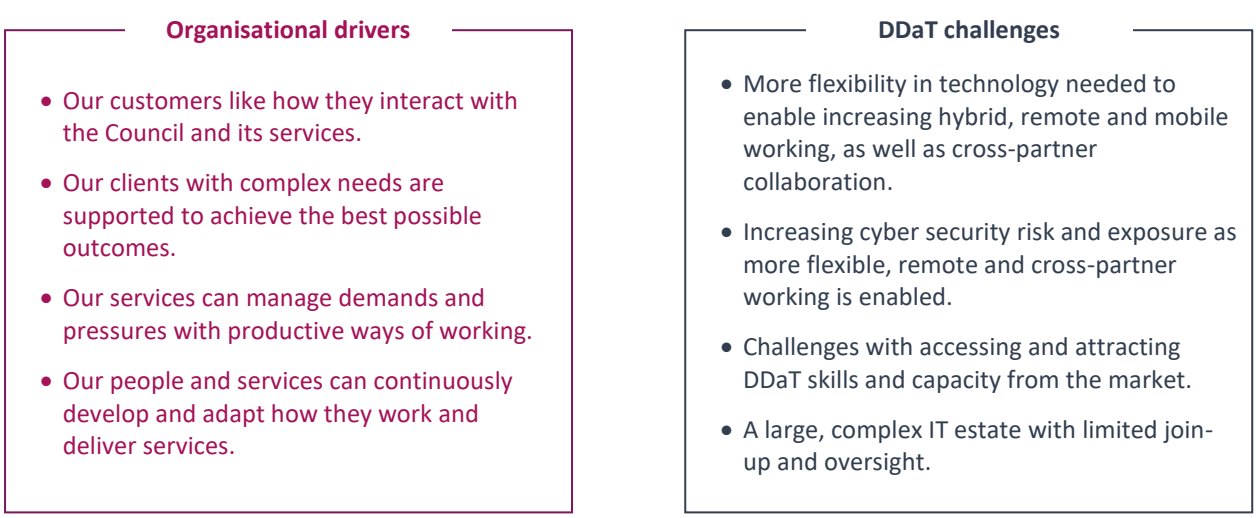
## 4.2 DDaT drivers and challenges

As outlined above, the Council has invested in a number of areas in recent years, particularly in response to the changing ways of working and customer service expectations arising from the COVID-19 pandemic. Key developments in DDaT in recent years include:

- Customer '*MyAccount*': Customer online account as a single-entry point for customers to access information and services and carry out certain transactions (with successful integration into Parking and Revenue & Benefits services)
- Microsoft applications suite (M365): New versions of communication and collaboration tools (M365) to support hybrid and mobile working
- '*Customer Index and Viewer*': Single central repository of core customer identity details and records for teams to look-up individuals
- Network remote access: Modern platform to enable effective remote working.
- Modern systems: Number of new key line of business systems introduced (HASC, FCL, Housing).

Whilst these developments have provided advancements in specific capabilities, there is a need to define a strategic focus for DDaT moving forward. Based on where the Council is today, there are a set of broad organisational drivers and specific DDaT challenges that underpin the strategic focus (Figure 5).

**Figure 5. Organisational drivers and challenges for DDaT**



# 5. The future direction for DDaT

## 5.1 The overarching ambition for DDaT

The Council's ultimate ambition for DDaT is:

***To support and enable all Council services to deliver improved outcomes for customers, through the development of the DDaT capabilities.***

In order to deliver on this ambition, the primary focus for the next 5 years is to reach and maintain good practice DDaT capabilities across the organisation through development and deployment in service delivery models. The journey to achieve this is based on working through the following 3-stages:

- Address significant risks to the Council and ensure the foundations are in place to develop good practice DDaT capabilities
- Developing and sustaining good practice across the core capabilities by making the most of available technologies and applying consistent approaches and methods to deliver effective and efficient services that meet customer expectations
- Starting to explore more leading practice capabilities by looking to incorporate the newest technologies and practices for highly efficient services with experience and outcomes that exceed customer expectations.

The immediate priority moving forward is to address risks, by focusing on current limitations and gaps in DDaT capabilities to mitigate against potential disruption to service delivery; these are considered '*must do*' activities. With the foundations in place and maintained, this means that the Council will be able to develop the capabilities to a level of good practice across services effectively and securely. By developing and maintaining efficient services that meet customer expectations, the Council will be able to pursue more strategic ambitions and innovative leading practice capabilities. The development of capabilities to levels of good and leading practice are considered '*should do*' and '*could do*' (respectively) and will generally require business case approval (see section 6 – 'The organisational approach to DDaT moving forward').

**Figure 6. Overarching direction for DDaT in the next 5 years**

## 5.2 The long-term vision for DDaT: Going beyond this strategy

Beyond the next 5 years, the Council's long-term vision is to enable Brighton & Hove to move towards becoming a 'smart' city. Becoming a smart city means exploiting the full potential of smart technology and digital innovation to revolutionise the way the city works and focus on maximising outcomes for all customers; from supporting the most vulnerable to economic growth and the prosperous. A connected and smart Brighton & Hove would be built on a smart infrastructure with high levels of technology integration across partners and businesses, providing a wealth of connected and rich data. The Council and city partners could leverage this data for deep and real-time insights into customer needs and behaviours, and asset performance; enabling Brighton & Hove to continuously work better, faster and cheaper for residents, service providers and businesses.

The direction and ambition for DDaT set by this strategy will put in place the fundamental DDaT capabilities that are needed to be able to move towards this long-term vision for how the city will work in the future.

## 5.3 Where we want to get to with the DDaT capabilities

A set of ambitions and objectives for each of the DDaT capabilities have been defined, which collectively enable the overall DDaT ambition. The ambitions and objectives set out where the Council wants to get to with each of the capabilities and what these will look like for services and customers. These have been developed based on engagement that has been carried out with all directorates to understand their service priorities.

The immediate focus is to address areas that pose material risk to the Council and ensure that the foundations are in place to then be able to really develop and utilise the capabilities across the organisation within service designs and delivery models. The activity and investment to do this are considered critical and 'must do' for the organisation; these are summarised in Figure 7.

**Figure 7. Summary of immediate DDaT priorities to address material risks**

| Risk | Action and investment |
|---|---|
| The Council is unable to recover its systems and data in the event of a major cyber attack. | Establish back-up and restoration capability for Council systems and data. |
| Staff are unable to deliver critical services from different locations due to devices, telephony and network infrastructure not fit-for-purpose. | Upgrade and maintain security, network and WiFI infrastructure to maintain functional level. |
| Staff and the Council aren't compliant with fundamental information and technology regulations and standards. | Maintain and develop compliance frameworks (GDPR and cyber security) and carry out review of practices. |
| Services are not able to meet statutory responsibilities or comply with relevant policy due to fundamental gaps in data capability. | Work with services to understand fundamental data requirements and implement tools and practices to support these. |
| Key Council customer platforms such as MyAccount and the website become unfunctional and outdated. | Maintain and build IT&D BHCC Digital team resource to maintain and update customer digital platforms in line with statutory and policy changes. |

With these foundations in place, the Council can start to develop the DDaT capabilities to enable improved ways of working for services and outcomes for customers. The ambitions, objectives and key steps for each of the capabilities is outlined below (page 16). What this will look like and mean for customers, services and staff is summarised in Figure 8.

**Figure 8. Summary of the 5-year DDaT ambition, with practical examples**

| What it will look like | What this will mean for customers and staff | Example of application in service delivery |
|---|---|---|
| All repeatable, simple customer transactions are available online, with access through a single customer account and different devices. | Customers can make payments, submit requests, and report issues from any device, only having to provide information once. | Residents report fly tipping from a mobile device which goes straight to the relevant team to update records, respond to the customer and resolve the issue efficiently. |
| Delivery of client-based services are tailored to client needs, using assistive technology combined with human support. | Clients with complex needs can be better supported to improve personal outcomes and independence, whilst freeing up front line service capacity to manage demand. | Use of assistive technology within social care packages enables more clients to remain in their homes and maximises their independence. |
| Dedicated resources are in place to support staff and teams in developing technology skills for day-to-day working and service delivery. | Staff have the skills and confidence to use available corporate tools and service systems, freeing up time and equipping staff with relevant contemporary skills. | Staff delivering client-based services, such as social care and housing, are proficient in using latest applications and devices to reduce manual tasks and have more time to focus on complex cases. |
| Datasets are joined up with simple and quick access to rich accurate data from across the Council and partners. | Services can quickly understand complex customer cases with insight of case histories from all services and needs and risks to put in place the best possible actions for the customer. | Safeguarding professionals have access to a single view of vulnerable families to understand risks such as debt, homelessness, and health and wellbeing, to take prompt and effective mitigating action. |
| Applications and data can be used and accessed securely and efficiently from different work devices and locations. | Staff can carry out their work effectively from any location, from Council sites and home working to out in the community. | Housing repairs operatives can access property information and process customer orders in real-time from a property, allowing for efficient job fulfillment and good customer experience. |

It should be noted that the development of the Digital Organisation capability will be progressed by IT&Digital and HR&OD teams together, as this is focused largely on the people, skills and culture aspects required for DDaT going forward.

## Digital Customer

*How the Council interacts with customers and uses digital tools and practices for transactions and delivery of services.*

*Maturity pathway*

| | Our immediate priority is to address risk | Our 5-year ambition is to get here | Our long-term ambition is to get here |
|---|---|---|---|
| | ***Existing corporate digital customer platforms are maintained on an ongoing basis to ensure they continue to be functional and work for customers.*** | ***Digital channels are used for all transactional services and meet customer expectations, with customers able to interact with 'One Council'. Services are designed with a customer-centric focus and digital tools are used to support more vulnerable clients.*** | ***Using the latest available technology and digital design approaches to optimise service delivery, and customer outcomes.*** |
| ***What it will look like*** | • Council MyAccount and websites continue to be functional for customers to access existing services and transactions.<br>• The platforms that hold and match customer information (Customer Index) and process customer contacts (Contact Management), are functional.<br>• The corporate customer digital platforms are updated in line with statutory or policy changes. | • All repeatable, high-volume transactions are online, and can be carried out through personal MyAccounts.<br>• Use of digital channels is maximised but balanced with human-centric routes where appropriate.<br>• Customers only give the Council information once.<br>• Council website is clear, easily navigated and continuously adapted to customer preferences<br>• Services can respond to customer contact and queries efficiently with use of digital tools.<br>• More vulnerable clients are supported to manage needs and maximise independence with use of digital tools.<br>• Use of interactive digital channels for engagement and consultation with diverse resident groups. | • Online customer transactions are progressed to fulfilment automatically where possible.<br>• Artificial intelligence chatbots and online help guide customers to the relevant information and resources.<br>• High level of customer experience with personalisation and choice.<br>• Wide variety of channels and media support service delivery (e.g., remote video consultations, support and monitoring services).<br>• Service staff are freed up to focus on the more complex cases and customers.<br>• All services adopt user-led and agile approach to service design with continuous improvement through data insights and adaptability. |
| ***Key steps to get there*** | • Ensure there is the digital team resource to maintain and develop customer digital platforms to maintain functionality and respond to statutory and policy changes. | • Work with services to improve service models and customer outcomes, with user-led service design including customer journeys and business processes.<br>• Support services with channel shift including use of available digital channels for customer transactions and contact.<br>• Work with specific services on use of digital tools and assistive technology to enhance service delivery and outcomes for vulnerable residents. | • Establish corporate digital resources and tooling for advanced digital transactions and services.<br>• Work with services to introduce advanced digital tools for high level of user experience that continuously meets and exceeds customer expectations.<br>• Support service leads and managers to develop digital skills and practices (see Digital Organisation). |

**To be progressed with HR&OD**

## Digital Organisation

*The core productivity tools and skills and behaviors to use technology for service delivery.*

*Maturity pathway*

| | Our immediate priority is to address risk | Our 5-year ambition is to get here | Our long-term ambition is to get here |
|---|---|---|---|
| | ***Staff are confident in using standard technology and are able to use the core business productivity tools to carry out fundamental working tasks effectively.*** | ***Staff are able to get the most from modern productivity tools and available technology for service delivery and efficient ways of working. Leaders and managers embrace use of technology, digital and data to drive continuous improvement of services.*** | ***Staff and teams can continuously improve how they work by being agile and responsive to challenges and opportunities and using innovative technology.*** |
| ***What it will look like*** | • Staff have the skills and confidence to use the common business productivity tools at a basic level to be able to carry out their work.<br>• Staff have an awareness and openness to the opportunities technology provides.<br>• Staff are aware of and compliant with the defined principles and practices for safe and secure use of technology, including data privacy (GDPR) and cyber security. | • Staff are equipped with and confident in using modern productivity tools that support hybrid and flexible working.<br>• All staff are proficient in use of productivity tools and service systems, so that services can make the most of these tools for efficient working; minimising paper-based processes.<br>• Staff have foundational skills for use and management of data in line with organisation practices (see Data capability).<br>• Management staff have the skills and behaviours to drive business strategy and change in services.<br>• Leadership and management levels embrace working with IT&D and are open to use of DDaT to improve service delivery and efficiency. | • Services work to high levels of efficiency with advanced productivity tools.<br>• Manual and repeatable operational tasks are automated as much as possible.<br>• Staff embrace continuous improvement in ways of working, actively seek use of technology and collaboration with IT&D.<br>• All staff are aware of latest digital and agile principles and methods, and practice these in team working.<br>• Leadership and management levels have digital leadership skills and behaviours to constantly challenge and adapt service models, such as digital literacy and awareness, and focus on data to inform changes. |
| ***Key steps to get there*** | • Staff training in basic use of communication and collaboration tools ('Connecting You' programme in-flight).<br>• Carry out review to understand current skills base.<br>• Work with HR&OD to incorporate basic technology skills development into induction processes.<br>• Maintain and develop compliance frameworks (GDPR and cyber security) and carry out review of practices across services. | • IT&D teams work with HR&OD to support services to develop, support and recruit staff digital, data and technology skills.<br>• IT&D teams work with HR&OD to support development of hybrid and flexible working models.<br>• Establish 'tech advocate' roles to support staff to use existing productivity tools in processes for efficient working. | • Support services to reach high levels of efficiency in business processes, with innovative productivity and automation tools.<br>• IT&D teams work with HR&OD to support services to develop, support and recruit staff DDaT skills. |

*Maturity pathway*

## Data

*How the Council captures, stores, shares and uses customer, performance and partner data.*

| | Our immediate priority is to address risk | Our 5-year ambition is to get here | Our long-term ambition is to get here |
|---|---|---|---|
| | ***Practices are in place to ensure services meet statutory reporting duties with accurate and reliable data. Staff are compliant with GDPR policies and have an awareness of basic practices for using data.*** | ***Consistent practices for data use, management and reporting. High levels of data integrity and join-up, with a single view of customers and assets. Service delivery and decision-making is data-driven, with simple and secure data exchange between services and with partners.*** | ***Advanced data tools and capability to predict future outcomes for individuals and groups, and shape services to intervene earlier and more effectively, for optimal customer outcomes and reduced demand.*** |
| ***What it will look like*** | • Staff understand and apply the fundamental GDPR principles and practices.<br>• Services have the tools and practices to meet statutory responsibilities for information management and reporting.<br>• Services are supported to meet policy requirements that require data capability.<br>• Foundational principles for use and management of data, information and files are defined for the organisation.<br>• All staff have basic-level data literacy and awareness, and apply the foundational data and information management principles when using and handling data. | • Consistent practices for data management, allowing for high levels of data integrity and use.<br>• Use of data is embedded in service delivery.<br>• Services can readily access a single in-depth view of customers and assets; to inform decision-making.<br>• Data can be shared and accessed securely and intuitively between services and with external partners (e.g., health, voluntary and community sector, local businesses)<br>• Services can react to customers' needs effectively and efficiently using joined up and up-to-date data.<br>• There is an organisational culture for sharing data.<br>• There is a consistent and efficient approach to business reporting and intelligence. | • Services can use data to identify emerging risks and future outcomes.<br>• Services have forward-looking insights, to take proactive action to shape decisions and actions.<br>• Services can prevent customer needs and issues from arising using predictive modelling.<br>• Reduced demand for costly complex services, resulting in savings and more targeted use of resources.<br>• Use of live reports and analytics is incorporated into service operations. |
| ***Key steps to get there*** | • Develop basic level data literacy and understanding in services, working with HR&OD to develop learning & development programme.<br>• Work with services to understand data requirements and implement tools and practices to support these and existing/emerging key programmes (e.g., FCL Supporting Families)<br>• Establish organisational data strategy and foundational principles and oversee these through corporate data governance group. | • Wider development of data capability across the organisation, with corporate tools and practices for organisation-wide sharing, integration and access to data.<br>• Deploy modern business intelligence tool as a single platform with consistent practices for reporting across the Council.<br>• Explore advanced tooling for join-up of Council datasets.<br>• Corporate data governance defines and oversees organisational data standards and practices. | • Work with services to identify opportunities for using advanced analytics for predictive insights.<br>• Develop corporate predictive analytics and machine learning tools and practices.<br>• Work with services to incorporate advanced analytics into reporting and service models.<br>• Support the development of advanced data skills and capabilities in services. |

## Foundational IT

*The underlying infrastructure and systems for secure and accessible technology and information.*

| | Our immediate priority is to address risk | Our 5-year ambition is to get here | Our long-term ambition is to get here |
|---|---|---|---|
| | ***Modern network security provides essential perimeter protection from breaches, and Council data is backed up and recoverable. Systems are available when needed.*** | ***Staff and teams are able to access applications and information securely, reliably and efficiently from all working locations, with remote and cloud-based systems, modern devices and telephony, connectivity and security.*** | ***Advanced security and connectivity infrastructure to enable optimal use and high performance of cloud-based systems for any form of working and location.*** |
| ***What it will look like*** | • Service and corporate systems and applications function as needed for teams and staff to carry out day-to-day work.<br>• The Council can respond in the event of a major cyber-attack to recover and restore systems and data.<br>• Critical services can be provided in the event of a failure in the core infrastructure.<br>• WiFi infrastructure is up-to-date and functional across all Council sites. | • Modern network infrastructure for efficient and reliable connectivity for all core working locations.<br>• Systems and data can be quickly recovered from a major cyber-attack.<br>• Advanced protection from cyber-attacks, for a low risk of breach.<br>• Externally hosted (cloud-based) systems and applications can be used securely.<br>• If part of the infrastructure is down systems can continue to operate with limited downtime.<br>• Staff and external partners can access and navigate information and systems simply and securely.<br>• Modern telephony platform supports efficient routing of customer contacts.<br>• Range of modern devices deployed to staff, which can be tailored to meet specific needs. | • Parts of the core technology infrastructure can fail and result in no or minimal downtime for services and customers.<br>• Customers will be unaware of incidents and failures within the technology infrastructure.<br>• High levels of cloud-based application usage across the Council can be done in a highly secure way (with the impact of breaches limited to isolated devices).<br>• High speed of access and connectivity to systems and data.<br>• Most modern devices deployed to all staff and swapped out to support changing service requirements. |
| ***Key steps to get there*** | • Establish back-up and restoration capability for Council systems and data.<br>• Upgrade WiFI access infrastructure across all Council sites.<br>• Network and security upgrades to ensure up-to-date fundamental security and network performance in place and maintained (in-flight). | • Implement advanced cyber security monitoring tool and protection for web-based applications.<br>• Establish specialist resource to support/maintain security and network assets.<br>• Laptop and mobile upgrades.<br>• Implement modern telephony solution.<br>• Review of systems and information access for users and external partners. | • Explore options and approaches for implementing a 'zero trust' infrastructure for a cyber security capability that supports and enables high levels of remote/mobile working and use of cloud-based applications. |

***Maturity pathway***

| Our immediate priority is to address risks | Our 5-year ambition is to get here | Our long-term ambition is to get here |
|---|---|---|

## Service Systems

*The systems owned and used by services for managing cases and assets, and operational delivery.*

| | | | |
|---|---|---|---|
| | ***Service systems are functional for effective case and asset management. Systems are procured and implemented in line with fundamental technology and data security and technical standards.*** | ***Modern line of business systems are in place, allowing for effective and efficient service delivery, with integration with internal and external systems. Systems are effectively managed at service and organisational level.*** | ***All systems are always on the very latest versions available. Simplified and rationalised organisation systems estate with use of cloud-based applications optimised.*** |
| ***What it will look like*** | • Service systems are compliant with security, information and architecture policies and standards.<br>• Services are able to meet statutory responsibilities for service delivery and reporting with functional systems for processing cases and information.<br>• Services and IT&D work together on new system implementations, from scope, procurement, design and implementation.<br>• New service systems or changes to existing ones are coordinated so that they support digital design. | • Services have modern systems that enable efficient ways of working and case management.<br>• Simple systems landscape, with rationalised set of service applications.<br>• System integrations are in place between service and corporate systems for exchange of key Council data.<br>• System integrations between Council systems and partner organisation systems to allow for simple exchange of customer data (linked with Data and Digital Customer capabilities).<br>• The organisation and IT&D can identify and manage cross-cutting dependencies and opportunities.<br>• Services can manage and procure systems effectively to get optimum value. | • Optimal mix of systems that are held on-premise, through external hosting, and in public and private clouds.<br>• Systems are automatically on the very latest versions and are 'evergreen' (constantly adapted to support modern ways of working).<br>• High-performance systems that are highly available for staff with split second refresh and upload times.<br>• Highly rationalised and simplified systems landscape with zero cases of 'shadow IT'. |
| ***Key steps to get there*** | • Establish robust and agile corporate assurance process and governance to ensure systems meet IT standards (see section 6 – 'DDaT governance framework').<br>• Establish joint IT&D and service governance forum to oversee developments in key service systems and ensure they are aligned with corporate principles for digital and data design (see section 6 – 'DDaT governance framework'). | • Establish directorate/service level IT governance to help services to manage overall systems maintenance, contracts/suppliers and changes.<br>• Support services to develop systems, supplier and contract management skills and capabilities. | • Build productive relationships with system providers that enable deployment of the very latest technologies and upgrades to continually improve ways of working.<br>• Continual review and updating of service technology infrastructure to take advantage of new components, market opportunities and system optimisation and rationalisation |

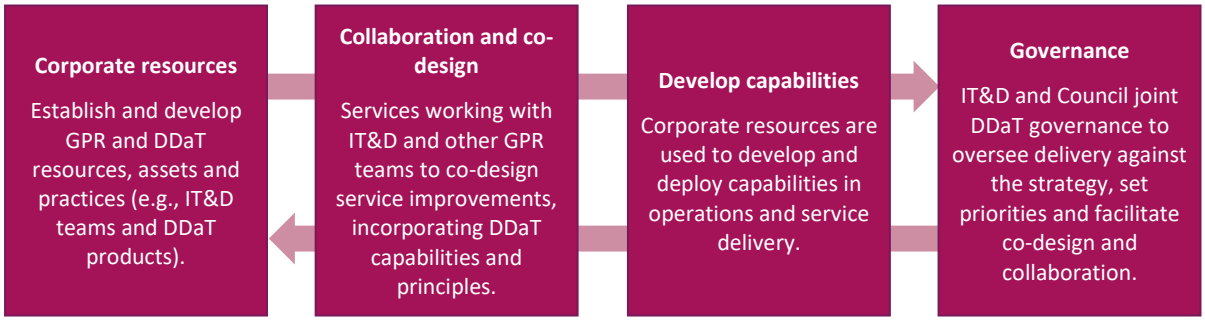
# 6. The organisational approach to DDaT moving forward

## 6.1 Summary of the DDaT approach and principles

Delivering the DDaT ambition and objectives with the development and deployment of the DDaT capabilities hinges on the collective working of IT&Digital and other GPR functions with service teams. It is largely through services' delivery models and operations that the practical development, application, and benefits of the DDaT capabilities will be seen.

The overall approach to delivery primarily centres on building and deploying corporate resources (including DDaT resources) which are used to develop capabilities and fundamentally improve service delivery. These resources include IT&Digital teams and corporate DDaT platforms and practices, along with other GPR teams such as HR&OD, Finance, and Customer, Modernisation & Performance Insight. A summary of the approach is outlined in Figure 9.

**Figure 9. Outline of the organisational approach to DDaT**




In order to deliver the DDaT ambition as an organisation, it is imperative that IT&Digital (along with the other GPR functions) and Council services work together in close partnership. To achieve this, the approach for delivering the strategy and ambitions is based on the application of a set of key principles, as set out below:

- Adopting a user-centered design ethos to underpin service improvement and redesign and not leading with technology products
- Open, collaborative and partnership working between services, IT&Digital and other GPR teams, with the collective goal of delivering better services and outcomes for customers
- Effective governance and engagement with services as they develop and implement business plans to ensure effective involvement of IT&Digital (and other GPR teams) and application of the DDaT ambitions, objectives and principles
- Co-design and development of services using technology with DDaT specialists working together with service teams (see 'DDaT governance framework' below).
- Outcomes and success of the strategy are dependent on working with directorates/services and GPR teams to make use of the corporate DDaT resources and assets for service transformation and continuous improvement

- Ongoing review and evolution of the strategy in line with changing Council priorities and technological changes.

The application of these principles is fundamental for the Council to deliver against the ambitions and objectives. They will be further developed and built out into a model that defines how work will be carried out with services (this will be done by the 'Digital Design Group' as a key forum as part of the DDaT governance framework – outlined below).

## 6.2 Corporate and service DDaT developments and investment

In line with the principles outlined above, to move forward with developing the DDaT capabilities for service delivery, there is a need to work as a single Council. This means ensuring join-up and co-working between IT&Digital, GPR and service teams. As a result, the Council's approach is based on:

1. Continuing to invest in and develop corporate DDaT resources, assets, and practices (IT&Digital teams, corporate technology platforms and tools, organisational DDaT practices and methods)
2. Corporate DDaT resources, assets and practices are used to develop and deploy capabilities in service delivery.

It is recognised that development of capabilities in services will require application of the corporate resources, assets and practices, as well as developing specialist solutions to meet the specific needs of services and their customers.

With this, there is a need for directorates and services to develop their own business plans in line with their specific business ambitions and customer and client needs. These business plans should include reference to the DDaT capabilities that would enable the planned business changes. The intention is for the IT&Digital Business Partners to work with service leads and Business Improvement Managers and draw upon the expertise of DDaT specialists and service practitioners to support services in their development of strategies and business cases. The development of business cases will aid the alignment of service led DDaT development proposals with the Council's DDaT strategy (this strategy) and principles for the 5 capabilities. It should be noted that business cases will generally be expected for both investment in corporate DDaT resources and assets, and service specific developments, with approval and prioritisation through the DDaT governance (see 'DDaT governance framework' below).

### Summary of corporate and service investment

The required indicative investment in DDaT at the corporate and service levels has been identified to inform the Council's Medium-Term Financial Plan (MTFP) 2023-27. This comprises £c.10-20m of investment in the core DDaT strategy and an investment requirement for service specific developments from directorate business planning (to be defined in the Policy & Resources Committee report for February 2023). Investment of this

magnitude as part of the financial plan going forward will enable the following fundamental outcomes for the Council's key stakeholder groups:

Customers and Councillors:

- Customers' experience of carrying out simple transactions (e.g., making payments or bookings) and interacting with services meets their expectations
- Clients with more complex needs feel more supported and can have a better way of life with greater independence
- Councillors are assured that customers are content with how they access, contact and transact with the Council and those clients with more complex needs can achieve better outcomes
- Councillors will be more able to progress with policy and strategic ambitions with a Council that is working efficiently and with greater agility to respond to change.

Leadership and Management:

- Leaders and managers will have the resources, tools and skills to continuously improve how their teams and services work
- Leaders and managers and their teams will be able to manage pressures and focus more and more on improving customer experiences and outcomes from their services
- Leaders and managers can access greater insights on service performance and demand to make more informed decisions on how to respond and adapt services
- Leaders and managers will be supported to develop further skills and learn the latest methods for driving business strategy and transformation.

Staff:

- Staff spend less time on manual tasks and more time on the high value-adding activity such as more complex client cases and service delivery improvement
- Staff are more informed to understand their customers and assets and are able to take prompt and effective action
- Staff can contribute to improvements to services and focus on more challenging work, meaning they can develop new skills and have greater fulfillment in their roles.

**Corporate DDaT investment**

The indicative investment in corporate DDaT resources and assets to enable the development of DDaT capabilities has been identified (as shown in Table 1). These activities and investments will generally require business case development and approval through the DDaT governance arrangements. The indicative investment figures are presented as ranges with the '*must do*' non-discretionary investment (lower value) to the '*could do*' discretionary investment (upper value).

**Table 1. Indicative investment in corporate DDaT resources and assets**

| Capability | Indicative medium-term investment (for medium-term financial plan 2023-2027)[1, 2] | Key investments | Key outcomes |
|---|---|---|---|
| **Digital Customer** | **c.£6.9m - £10.1m** | • Ongoing maintenance and development of corporate platforms (e.g., Council website, MyAccount)<br>• Digital specialists to support service design and development and deployment of channels and tools<br>• Digital resource to design and implement assistive digital tools<br>• Functional and user experience improvements to platforms | • Corporate platforms remain functional for customers and meet statutory and policy requirements<br>• Services meet customer expectations<br>• More efficient customer fulfillment<br>• Improved outcomes for clients with complex needs |
| **Digital Organisation** | **c.£0.5m – £3.7m** | • Learning & Development resources to support staff in use of all IT&Digital and productivity technology<br>• Resource to support business process improvement | • Staff can get the most from available technology for more effective and efficient service delivery<br>• Services work more efficiently, freeing up staff capacity |
| **Data** | **c.£1.3m - £2.9m** | • Develop specialist data team to support services' key data requirements and develop wider organisational capability for integration and data insights<br>• Develop corporate platforms to support data access, integration and analysis | • Services have greater insight into services, assets and customers to improve decision-making and outcomes<br>• Services can access information and work more efficiently between themselves and with partners |
| **Foundational IT** | **c.£1.5m – £4.4m** | • Establish back-up and restoration capability for Council systems and data<br>• WiFi infrastructure refresh<br>• Deploy modern corporate telephony platform<br>• Refresh staff mobile devices and laptops<br>• Improve infrastructure resilience and systems availability | • Council data and systems can be recovered from a major cyber breach<br>• Staff can access what they need and work efficiently from Council, remote and community locations<br>• Services can continue to run seamlessly if part of the IT infrastructure fails |
| **Service Systems** | *Based on directorate strategies and plans* | | |
| **Total corporate DDaT investment** | **c.£10.1m - £21.1m** | | |

[1]*Indicative investment range based on 'must do' non-discretionary investment (lower value) to 'could do' discretionary investment (upper value)*

[2]*Indicative numbers take account of inflationary factors for the MTFP period*

**Service-led DDaT developments and investment**

A number of key directorate strategic agendas have been identified where the development of DDaT capabilities will play a significant part. These and further developments for services will be identified and worked through the directorate and service business plans and DDaT governance arrangements (see 'DDaT governance framework' below). Examples of current directorate agendas include:

**HASC and the Sussex Health and Care System**: Integrated and closer working between the local NHS, local authorities and health & care organisation to address complex challenges in the system.

**FCL and the Early Help programme**: DLUHC and DfE led agenda to drive continual improvements to local partnership working and data use to help children, young people and families at the earliest opportunity.

**City Clean Modernisation programme:** Transformation of the service's ways of working and service delivery with core system upgrade and development the digital offering.

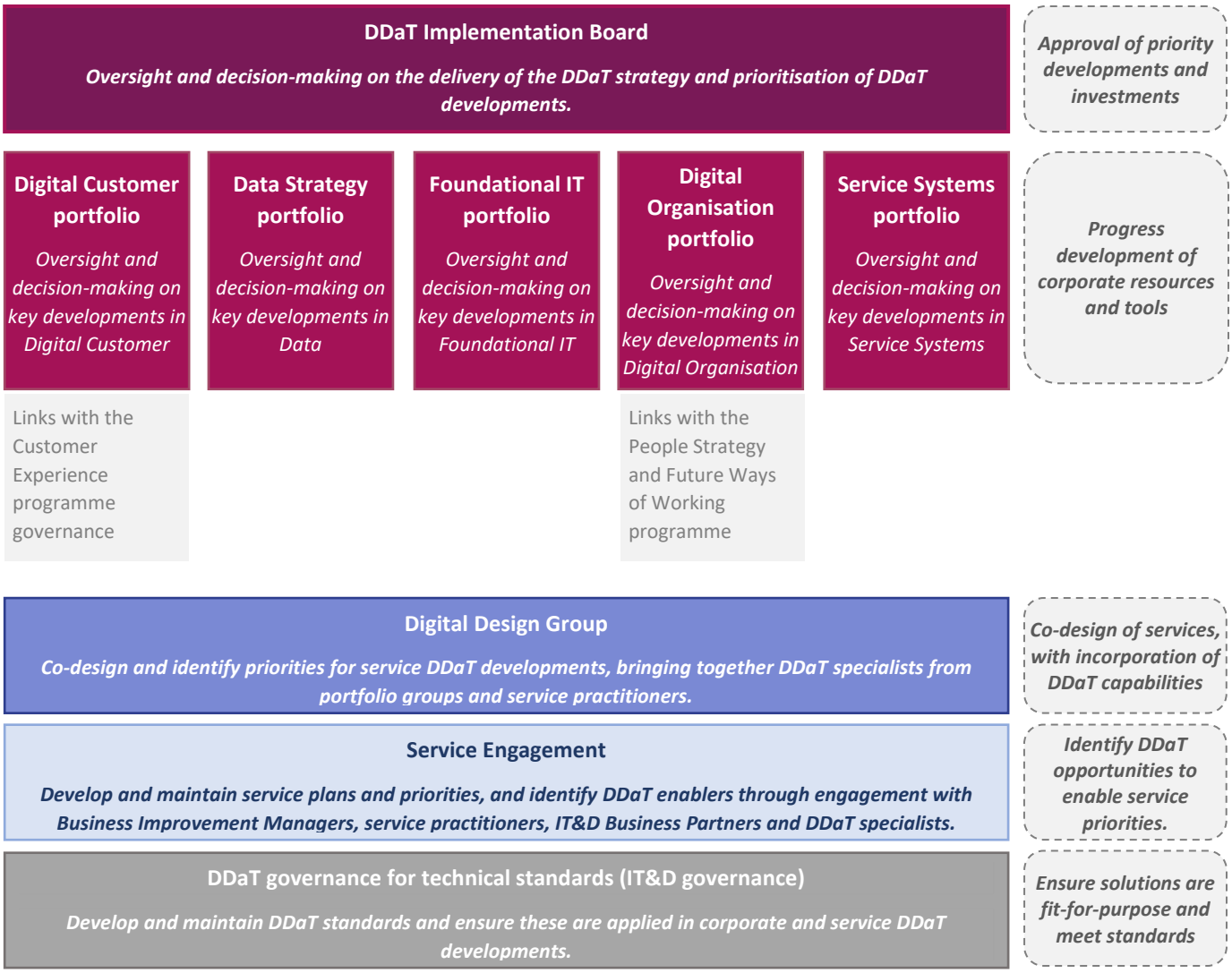
**Housing digital programme:** Review and development of the service design and customer experience, with opportunities for digital channel shifts.

## 6.3 DDaT governance framework

A DDaT governance framework will be established to oversee and manage the developments in the DDaT capabilities and delivery against the strategy (Figure 10). Crucially, this framework will provide the connection between services and DDaT specialists for the fundamental co-working required and ensure service developments are joined-up with corporate ones. The framework will also allow for effective prioritisation and coordination of corporate and service developments.

As well as this, the framework will facilitate cross-Council collaboration and working, with links into existing organisational forums such as the Customer Experience programme and HR&OD groups, so that service designs and developments are shaped with the required people, customer and DDaT inputs. This multi-disciplinary approach allows for more effective join-up and awareness of opportunities between services and corporate teams.

**Figure 10. DDaT governance framework**




The roles of each of the governance groups is outlined below ('Roles of the DDaT governance groups').

### Governance for DDaT developments and investments

With the financial pressures faced by the Council and a clear organisational direction for DDaT moving forward, there is a need for clear and efficient mechanisms for decision-making on DDaT investments going forward. This is to ensure that effective decisions can be taken to prioritise development and investments at both corporate and service levels within a constrained funding envelope, based on organisational and service objectives, and alignment with the DDaT strategy. The portfolio groups for each of the DDaT capabilities and Digital Design Group will identify priorities for corporate and service developments respectively, with the DDaT Implementation Board approving the prioritisation.

The process for identifying and progressing DDaT developments and investments starts with service-led business planning and prioritisation (see 'Service Engagement' as part of the governance framework). This involves directorates and services developing and maintaining the directorate business plans to define service priorities. DDaT opportunities to enable service priorities can be identified through working with IT&Digital Business Partners and DDaT specialists and service subject matter resources, practitioners and Business Improvement Managers.

**Roles of the DDaT governance groups**

***DDaT Implementation Board***

**Purpose**: To oversee and take decisions on the delivery of the DDaT strategy and monitor progress against the ambitions and objectives.

**Representation**: Senior officer board.

**Role**:

- Ultimate decision-making group for major corporate and service developments and investments across the DDaT capabilities
- Oversees the progress of developments in the 5 DDaT capabilities to ensure overall delivery against the DDaT strategy and ambitions (with reporting from the 5 capability portfolio groups)
- Approves prioritisation of corporate developments and service developments (as set by the portfolio groups and Digital Design Group)
- Monitors service engagement with the Digital Design Group and agrees how to respond to any significant blockers.

***Digital Customer portfolio***

**Purpose**: To oversee and take decisions on the delivery of the Digital Customer portfolio and monitor progress against ambitions and objectives.

**Representation**: Joint IT&Digital and GPR group.

**Role**:

- Oversees the portfolio and programme of corporate digital customer developments (e.g., MyAccount) – through the Digital Customer programme
- Links with the Customer Experience programme governance to ensure the Digital Customer portfolio and programme is aligned with evolving priorities from the customer experience programme
- Makes decisions on key corporate and service digital customer designs and developments (emerging from the Digital Design Group's work with services – see below)
- Reports to the DDaT Implementation Board for approval of priorities and progressing major corporate developments and investments

- Defines the corporate design principles for digital customer platforms, channels and practices (including the 'One Council' principles)
- Manages the corporate resources and assets for digital customer (e.g., MyAccount)
- Engages with and supports services on key design decisions for digital customer practices and tools, ensuring the corporate design principles are applied (as part of the Digital Design Group – see below).

### *Data Strategy portfolio*

**Purpose**: To oversee and take decisions on the delivery of the Data Strategy portfolio and monitor progress against ambitions and objectives.

**Representation**: Joint IT&Digital and GPR group.

**Role**:

- Sets and oversees the Council's data strategy to deliver the ambitions and objectives for the Council's data capability
- Oversees the portfolio and programme of corporate data developments through a Data Strategy programme (e.g., ongoing developments to the Customer Index)
- Makes decisions on key corporate and service data designs and developments (emerging from the Digital Design Group's work with services – see below)
- Reports to the DDaT Implementation Board for approval of priorities and progressing major corporate developments and investment
- Defines the corporate design principles for data platforms and practices.
- Manages the corporate resources and assets for data (e.g., PowerBI)
- Engages with and supports services on key design decisions for data, ensuring the corporate design principles are applied (as part of the Digital Design Group – see below).

### *Foundational IT portfolio*

**Purpose**: To oversee and take decisions on the delivery of the Foundational IT portfolio and monitor progress against ambitions and objectives.

**Representation**: Joint IT&Digital and GPR group.

**Role**:

- Sets and oversees the Council's Foundational IT strategy to deliver the ambitions and objectives for the Council's foundational IT capability
- Oversees the portfolio and programme of corporate foundational IT developments through the FIT programme (e.g., refresh of devices)
- Makes decisions on key corporate and service foundational IT designs and developments (emerging from the Digital Design Group's work with services – see below)

- Reports to the DDaT Implementation Board for approval of priorities and progressing major corporate developments and investments
- Defines the corporate design principles for foundational IT platforms, tools, devices and practices
- Manages the corporate resources and assets for foundational IT (e.g., devices and telephony)
- Engages with and supports services on key design decisions that have foundational IT implications, ensuring the corporate design principles are applied (as part of the Digital Design Group – see below).

### *Digital Organisation portfolio*

**Purpose**: To oversee and take decisions on the delivery of the Digital Organisation portfolio and monitor progress against ambitions and objectives.

**Representation**: Joint IT&Digital and GPR group.

**Role**:

- Oversees the portfolio and programme of digital organisation developments through a digital organisation programme (e.g., central resources for learning and development)
- Links with the Council's People Strategy and Future Ways of Working programme governance to incorporate the ambitions and objectives for the Council's digital organisation capability
- Ensures that the digital organisation portfolio is aligned with and supports the delivery of the People and Future Ways of Working strategies
- Makes decisions on key corporate and service digital organisation designs and developments (emerging from the Digital Design Group's work with services – see below)
- Reports to the DDaT Implementation Board for approval of priorities and progressing major corporate developments and investments
- Engages with and supports services on key design decisions for digital organisation tools and practices, ensuring the corporate design principles are applied (as part of the Digital Design Group – see below).

### *Service Systems portfolio*

**Purpose**: To oversee and take decisions on the delivery of the Service Systems portfolio and monitor progress against ambitions and objectives.

**Representation**: Joint IT&Digital and GPR group.

**Role**:

- Oversees the portfolio and programme of major service systems developments

- Sets the standards and controls process to ensure systems meet fundamental technical and security criteria
- Defines the corporate design principles for service systems, including those for digital design and data
- Ensure developments in service systems are aligned with corporate principles (through engagement in the Digital Design group).

***Digital Design Group***

**Purpose**: Brings together representatives from the 5 portfolio groups and service leads to work through service model designs and improvements.

**Representation**: Joint IT&Digital, GPR and service representation.

Role:

- Ensure service and corporate developments (from the portfolio groups) are coordinated when shaping and developing service models
- Develop and implement the principles and model for how DDaT and service teams work together
- Ensures service model redesign and decisions are informed by and take into account the principles for the 5 capabilities
- Serves as the key forum for DDaT specialists to come together, engage and work with service practitioners to develop designs and business cases for service change work
- Manage the pipeline of work with services and make decisions on how and to what extent work will be carried out
- Define the priorities for service change work with sign-off from the DDaT Implementation Board
- Manage the schedule of work with services that aligns with the individual programmes of the 5 portfolio groups
- Bring in representatives and teams from GPR, Council corporate programmes and wider IT&Digital teams where necessary.

***Service Engagement (Business Improvement Managers and service practitioners with IT&D Business Partners and DDaT specialists)***

**Purpose**: Develop and maintain service plans and priorities, and identify enabling DDaT opportunities through engagement with business managers, service practitioners, business partners and DDaT specialists.

**Representation**: Joint IT&Digital, GPR and service representation.

Role:

- Develop, deliver and continuously review medium-term service business strategies and plans
- Define and manage the business priorities and initiatives for services.
- Identify where DDaT can enable business strategies and priorities, and identify possible options and solutions
- Develop business cases for DDaT developments and investments with input and review from the Digital Design Group.

# 7. Appendices

## Appendix A – DDaT Maturity Assessment

| | Digital Customer | Digital Organisation | Data | Foundational IT | Service Systems |
|---|---|---|---|---|---|
| **Definition** | *How the Council interacts with customers and uses digital tools and practices for transactions and delivery of services.* | *The core productivity tools and skills and behaviors to use technology for service delivery.* | *How the Council captures, stores, shares and uses customer, performance and partner data.* | *The underlying infrastructure and systems for secure and accessible technology and information.* | *The systems owned and used by services for managing cases and assets, and operational delivery.* |
| **Example tools/methods** | • *MyAccount*: Single customer account for certain basic transactions and access to service portals and forms.<br>• *Contact Management application*: Corporate tool for efficient channeling and processing of customer contact.<br>• *Customer Index*: Dynamic database for customer identity details that underpins MyAccount and Contact Management solutions. | • *Microsoft 365 communication (Teams, Outlook, SharePoint)*<br>• *Microsoft 365 information management (OneDrive)*<br>• *Microsoft 365 business applications (PowerPoint, Word, Excel)* | • *Customer Index*<br>• *Customer Viewer*<br>• *Business Objects*<br>• *PowerBI* | • *Data centres*<br>• *Network (local and wide area)*<br>• *Devices and telephony*<br>• *Cyber security tools* | • *Eclipse Social Care system*<br>• *Northgate Housing Management system*<br>• *Civica Finance and Civica Pay* |
| **Maturity level** | *Working between Steady State to Good Practice, with risk of fallback* | *Working between Legacy and Steady State* | *Working between Legacy and Steady State* | *Working between Legacy and Steady State* | *Working between Legacy and Steady State* |
| **Maturity assessment summary** | • Significant progress has been made in developing the council's digital capability and customer channels. | • New versions of productivity and collaboration tools (Microsoft 365) being rolled out and supported. | • There are inconsistent practices for data and information management, which can risk compliance with regulatory and statutory requirements. | • Core foundations have been built towards establishing fundamental level of security and availability of systems, services and data. | • Several core line of business systems have been upgraded or replaced during the last couple of years. |

| | | | | | |
|---|---|---|---|---|---|
| | • MyAccount as a single digital entry point for customers for high volume transactions (as part of the 'One Council' customer approach).<br>• Progress made with specific services such as Parking and Revs & Bens to incorporate MyAccount and digital service; but work needs to be done with other services.<br>• There is a risk that the Council will not be able to keep the existing MyAccount and Contact Management platform functional with the current digital capacity | • Broadly there are mixed skills, confidence and culture around using technology.<br>• There's an opportunity to get more from the enterprise tools and service systems for improved business processes and reduced manual working. | • There is a lack of culture and awareness for maximizing the use of and value from the Council's data.<br>• Limited data sharing and join-up across services, which can result in multiple versions of the truth and services missing out on insights to inform decisions. | • Improvements ongoing currently to address remaining security and connectivity gaps.<br>• Lack of back-up of Council systems and data means the Council is not able to recover from major cyber-attack.<br>• Infrastructure refresh needed in next 2 years, includes local area network, telephony and devices. | • Further work is required to modernise the entire IT Application estate and make better use of technology and data innovation to support service delivery.<br>• Lack of central oversight and planning for service systems, with applications often sourced and implemented in services in silos; can add to complexity of the IT estate and mean opportunities are missed for economies of scale and a simpler architecture.<br>• Data exchange between services can be impacted by gaps in system join-up (linked to Data capability). |
| **Maturity assessment findings** | • Significant progress made over the last 4 years to build the 'One Council' approach and single-entry point (with corporate MyAccount) and develop digital customer channels and transactions.<br>• Particular progress with Parking service and implementing digital channels and MyAccount for online transactions.<br>• 120,000 citizens have BHCC MyAccounts, 350,000 transactions | • New versions of communication and collaboration tools (M365) being rolled out and supported, with dedicated training for user adoption taking place.<br>• New versions of Teams, SharePoint Online and OneDrive being implemented, with training for basic-level use being delivered for all staff through the 'Connecting You' | • Mixed levels of practice for data and information/file management, which poses a risk to compliance with regulatory and statutory reporting.<br>• Lack of culture and practice for maximising the use of and value from the Council's data.<br>• Limited data sharing and join-up across services, which can result in multiple versions of the truth and services | • Significant progress in 4 years of partnership to progress towards a steady state position, with remaining gaps in security and network to be addressed (with some activity in-flight).<br>• Modern network security tools being deployed to ensure essential level of perimeter security.<br>• Cyber monitoring tool being updated to ensure the Council can effectively detect and | • Upgrading these systems presents a significant opportunity for transformation (including automation, reporting and analytics).<br>• But this is dependent on services planning and designing these with an appetite for changing ways of working, rather than replacing like-for-like.<br>• Exchange of data for reporting and service operations can be impacted by gaps in |

| | | | | | |
|---|---|---|---|---|---|
| | have been delivered through the platform.<br>• There is still a need to work with a significant number of services to optimise use of digital customer channels.<br>• Before further work can be done with more services, there is a need to put in place the necessary resources to support and maintain what is in place already. There is a risk that developed platforms can't be supported effectively going forward and the Council won't fully deliver on the 'One Council' vision for customer access.<br>• There are opportunities to start to exploit readily available digital tools in the delivery of services to customers with more complex needs. | programme (completed with FCL).<br>• Broadly there is inconsistent skills and proficiency in enterprise productivity tools (M365 etc.) with a need to support services to get the most out of these for their needs.<br>• There is a risk that without supporting and enabling staff to use what is now readily available standard technology and the ways of working that goes with it, the Council won't be able to make the most of the enterprise (and service-specific) tools and productivity gains these provide.<br>• There is an opportunity to work with staff and teams to engage and support them in the use of the standard productivity tools (e.g., M365 applications) to support and improve business processes; serving as the foundation to develop the organisation's culture towards one that values and maximises the use of technology for better services and customer outcomes. | missing out on insights to inform decisions.<br>• Customer Index tool has been deployed, establishing core identity details and linked records from 15 BHCC datasets and 500k records with daily feeds, matching and reconciliation.<br>• Customer Viewer (on top of Customer Index) enables BHCC teams to search for individuals to see which service that person is known to and to search for cohorts.<br>• PowerBI has been introduced with an early adopter group and data analyst community workspace in MS Teams.<br>• Further roll-out of PowerBI premium licenses has been agreed.<br>• Data Governance & Insight Steering Group recently set-up as a forum for data insights and reporting matters (currently driving PowerBI for corporate reporting). | respond to incidents and breaches.<br>• Lack of back-up of Council systems and data means the Council is not able to recover from major cyber-attack.<br>• Local Area network refresh is in-flight, improving connectivity at remote and core Council sites.<br>• Currently working to stabilise AOVPN network to ensure consistent performance and availability for all users.<br>• Devices and telephony are coming to end of life and require upgrades in next 2 years. Corporate telephony strategy is being developed.<br>• Work ongoing by IT&D on improving corporate systems and process for managing staff access and data.<br>• The need for mobile, flexible and secure access to corporate and service systems is growing with new ways of working and the increased collaboration between services and with external partners. There is a need to develop simple and secure means for staff and partner access to systems and information. | system join-up (linked to Data capability).<br>• Lack of central oversight and planning for service systems, with applications often sourced and implemented in services in silos; this means that there isn't a central forum to manage service's technology and identify opportunities for shared systems or lessons learned from previous implementations.<br>• There is limited capability within services for effective ownership and management of systems, including lifecycle, contract and supplier management; services generally own their systems and contracts, with limited procurement and IT capability. |

# Brighton & Hove City Council

| Policy & Resources Committee | Agenda Item 123 |
|---|---|

| | | | |
|---|---|---|---|
| **Subject:** | | **Targeted Budget Management (TBM) 2022/23: Month 9 (December)** | |
| **Date of Meeting:** | | **9 February 2023** | |
| **Report of:** | | **Chief Finance Officer** | |
| **Contact Officer:** | **Name:** | **Jeff Coates** | **Tel: 29-2364** |
| | **Email:** | **Jeff.Coates@brighton-hove.gov.uk** | |
| **Ward(s) affected:** | | **All** | |

**FOR GENERAL RELEASE**

## 1 PURPOSE OF REPORT 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 9 on the council's revenue and capital budgets for the financial year 2022/23.

1.2 The forecast risk for 2022/23 at Month 9 is a £6.573m overspend on the General Fund revenue budget, approximately 2.7% of the net budget, including a forecast underspend of £0.345m on the council's share of the NHS managed Section 75 Mental Health services. This is a high projection at this late stage of the year and reflects the significant and unexpected inflationary impacts being experienced by the council across its contracts and supplies, together with the cost of the national Local Government NJC pay award. A key factor is the impact that inflation is having on the achievement of savings programmes, particularly across social care, with 45% of the 2022/23 savings package of £10.509m currently forecast to be at risk due primarily to inflationary pressures.

1.3 There are also impacts relating to the cost of living situation and economic conditions which have impacted some income sources such as planning fees, parking permits and commercial rents as well as continuing to drive higher Council Tax Reduction claimant numbers and homelessness.

1.4 The forecast presents a significant financial risk that, if not managed down significantly, will impact on the level of the council's Working Balance which would need to be utilised to fund any overspend. However, strict spending and recruitment controls will now remain in place until the end of the financial year and it is estimated that these will improve the forecast by a further £2m at outturn resulting in an overspend of around £4.5m (1.8%).

## 2 RECOMMENDATIONS:

2.1 That the committee note the forecast risk position for the General Fund, which indicates a potential forecast overspend risk of £6.573m. This includes an underspend of £0.345m on the council's share of the NHS managed Section 75 services.

2.2 Note that spending and recruitment controls will now remain in place until 31 March 2023 and, together with ongoing financial management actions, this is expected to improve the forecast by a further £2m by 31 March 2023 (outturn).

2.3 That the committee note the forecast for the Housing Revenue Account (HRA), which is currently an overspend of £1.295m.

2.4 That the committee note the forecast position for the Dedicated Schools Grant which is currently an overspend of £0.053m.

2.5 That the committee note the forecast outturn position on the capital programme which is a forecast underspend of £1.002m and approve the variations and slippage in Appendix 6 and new schemes as set out in Appendix 7.

## 3 CONTEXT/ BACKGROUND INFORMATION

### 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 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 the following sections:

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 Chief Finance Officer (statutory S151 officer)

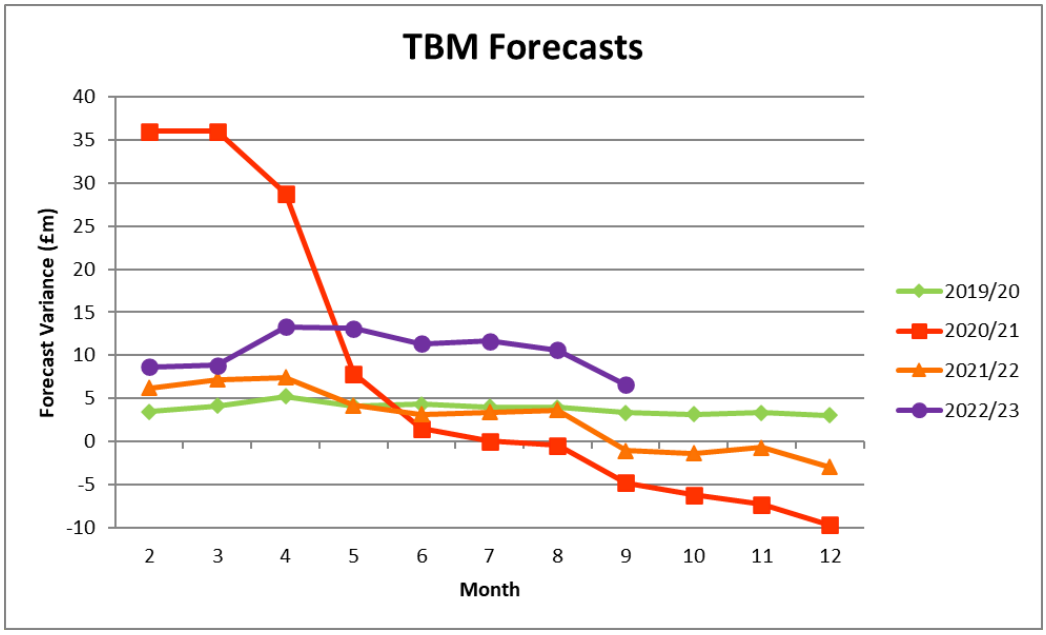
## 4 General Fund Revenue Budget Performance (Appendix 4)

4.1 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 4.

| Forecast Variance | | 2022/23 Budget | Forecast Outturn | Forecast Variance | Forecast Variance |
|---|---|---|---|---|---|

| Month 7 £'000 | Directorate | Month 9 £'000 | Month 9 £'000 | Month 9 £'000 | Month 9 % |
|---|---|---|---|---|---|
| 3,173 | Families, Children & Learning | 105,568 | 108,331 | 2,763 | 2.6% |
| 587 | Health & Adult Social Care | 76,799 | 76,213 | (586) | -0.8% |
| 2,447 | Economy, Environment & Culture | 45,052 | 45,656 | 604 | 1.3% |
| 862 | Housing, Neighbourhoods & Communities | 26,642 | 26,786 | 144 | 0.5% |
| 1,241 | Governance, People & Resources | 33,145 | 34,047 | 902 | 2.7% |
| 8,310 | Sub Total | 287,206 | 291,033 | 3,827 | 1.3% |
| 3,327 | Corporately-held Budgets | (40,392) | (37,646) | 2,746 | 6.8% |
| 11,637 | Total General Fund | 246,814 | 253,387 | 6,573 | 2.7% |

4.2 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 2022/23 and the previous three years for comparative purposes.

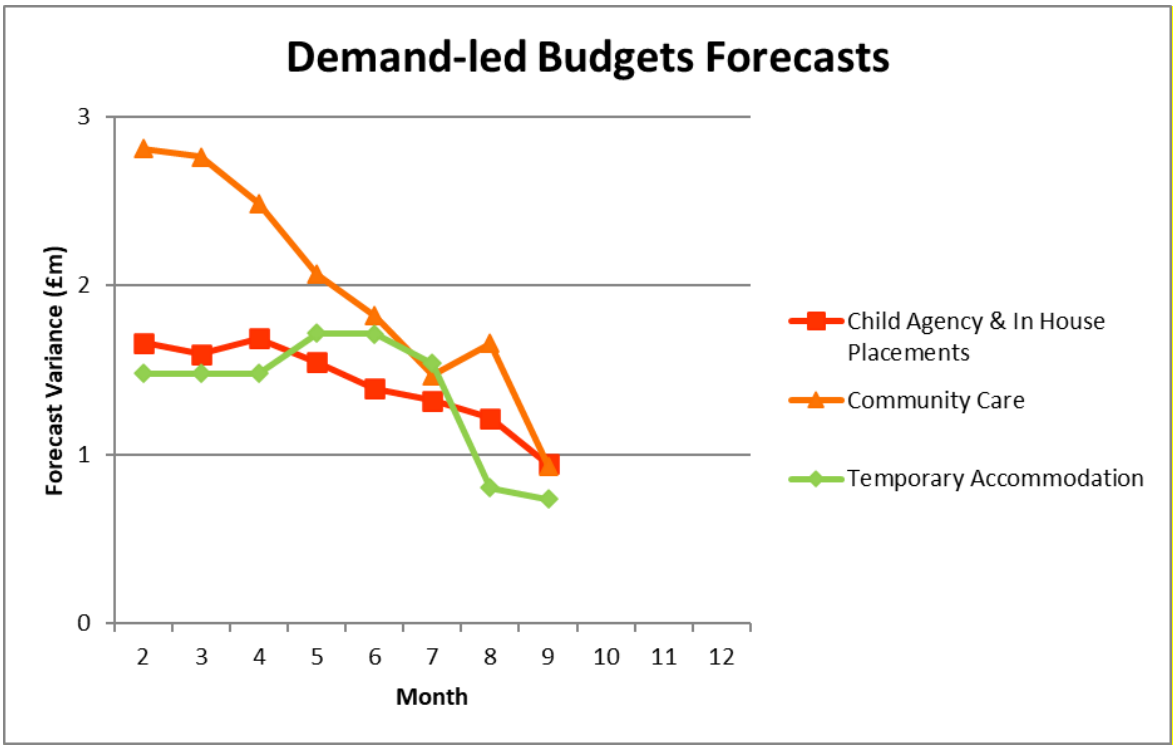


Demand-led Budgets

4.3 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 7 £'000 | Demand-led Budget | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|
| 1,318 | Child Agency & In House Placements | 24,419 | 25,362 | 943 | 3.9% |
| 1,466 | Community Care | 86,019 | 86,952 | 933 | 1.1% |
| 1,537 | Temporary Accommodation | 3,643 | 4,377 | 734 | 20.1% |
| 4,321 | Total Demand-led Budget | 114,081 | 116,691 | 2,610 | 2.3% |

The chart below shows the monthly forecast variances on the demand-led budgets for 2022/23.




**TBM Focus Areas**

The main pressures identified at Month 9 are across parts of Families, Children & Learning, Homelessness, Transport, City Environmental

Management and Culture, Tourism & Sport. Information about these pressures and measures to mitigate them are summarised below:

4.4 **Families, Children & Learning:** The current projected position identifies significant cost pressures: £0.730m on Children's Social Care Services, £0.679m on Adult Learning Disabilities Community Care, £0.442m on in-house adult provision and £1.158m on Home to School transport. These, together with other variances of (£0.246m) result in a forecast overspend of £2.763m overspend as at Month 9. Key drivers of the overspend are as follows:

- **Children in Care:** Since the beginning of the 2020/21 financial year the number of children in care has risen by 8%. The post-pandemic period has seen children with increasingly complex needs as well as problems in foster care recruitment causing an acute sufficiency issue making placing children in families either in-house or with external providers very difficult. This has inevitably led to increasing numbers of children being placed in residential homes or very expensive semi-independent placements. The impact of the increasing complexity of need has resulted in a small number of very high-cost placements with a combined cost of £1.848m at an average unit cost of £13,493 per week. The cost pressures on Residential and Semi-independence placements, resulting in a forecast overspend of £2.188m, has had a concomitant adverse impact on the achievement of the 2022/23 savings measures.
  However, a number of the savings programmes have progressed well in terms of implementing the planned actions and changes, but as a direct result of the sufficiency and complexity pressures identified above the result is unachieved savings of £1.100m (2.5% of the Children's Safeguarding & Care budget) being reported.

- **Care Leavers**: The number of care leavers requiring financial support for accommodation has been steadily rising over the last 12 months. As at 31st December 2022 there were 151 care leavers in receipt of financial support compared with 127 at the same time last year – a rise of 19%. The result is the forecast overspend of £0.437m for care leaver expenditure.

- **Adults with Learning Disabilities (Community Care**): The 2022/23 community care budget allowed an initial 2% across the board fee uplift to all providers across all care types. However, due to recent events such as the increase in the cost of living and the higher than anticipated increase in the living wage there have been strong representations from providers for an additional uplift in 2022/23. The forecast allows for a further uplift of 2% in fees across all providers (this equates to approximately £0.650m) and this is a significant reason for the predicted overspend on this budget.
  The current forecast overspend on the Adult LD community care budget is £0.679m (2% of the community care budget). At the same time, the 2022/23 savings programme for Adult LD has progressed well and the gross target of £0.926m is anticipated to be fully achieved

through the specific savings strategies set out in the 2022/23 corporate budget proposals.

- **Home to School Transport:** Pressures on this service are severe and there are several factors contributing to overspending. These include increased demand on the service (both at 5-16 ages, and 16 up until 19th birthday), increased numbers of children requiring single occupancy journeys (16% increase on this time last year), settings outside of the city being named in EHCPs (13% increase on this time last year) and increased contract prices on routes which accommodate dual placements, part-time timetables, alternative provision, and post 16 provision.

  Local driver, vehicle passenger assistants, and vehicle shortages together with increased fuel costs are resulting in the service receiving fewer and more costly bids on routes. These shortages are not unique to B&H, they are being seen across the country and a benchmarking exercise is underway to ascertain the scale of the problem by the DfE who have declared that nationally HTST is at significant risk of failure due to these unprecedented issues. There is increasingly less capacity in the local system to meet increasing demand, not just in the numbers of children requiring transport but the nature of the transport requirements.

Elsewhere, the forecast for the 2022/23 central Dedicated Schools Grant is an overspend of £0.053m. More details are provided in Appendix 4.

4.5 **Adults Services:** The service is facing ongoing challenges in 2022/23 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 a resilient local provider market. It is to be noted that this is after applying service pressure funding of £3.211m in 2022/23 which has been used to fund budget pressures resulting from the increased complexity and costs of care. There have been additional one-off grants allocated to the service to support hospital discharges and reduce associated pressures on the NHS, which has helped mitigate pressures within the directorate this financial year.

At this stage, £1.345m of the £2.353m 2022/23 savings plan are forecast to be unachievable this financial year, and this is accounted for in the forecast underspend of £0.286m. Actions are focussed on attempting to manage demand on and costs of community care placements across Assessment Services and making the most efficient use of available funds.

The HASC directorate has a Modernisation Programme which aims to implement a consistent strengths-based approach across key work streams, ensuring robust pathways are in place, developing a community reablement offer and re-designing the front door service. Currently the Health & Social Care system is under considerable pressure, and this is generating additional costs for the council due to:

- Pressures on the system due to short-term grant funding and no long-term funding solution;
- Significant pressures on the acute hospital resulting in increased costs to support timely discharge into residential, nursing and home care;
- Pressures on NHS outreach and other preventative services including community nursing (known as Integrated Primary Care Teams);
- Workforce capacity challenges across adult social care services;

The funding of all care packages is scrutinised for Value for Money, ensuring that eligible needs are met in the most cost-effective manner which will not always meet people's aspirations. Established safeguards are in place to provide assurance within this process.

4.6 **Housing Services and Temporary Accommodation:** Overall these services are forecast to overspend by £0.734m, an improvement of £0.803m since Month 7. The service has made good progress in meeting its budget savings and is just £0.180m short of its £1.780m target due to reductions in the number of households in emergency accommodation happening later than expected. The overspend relates to the following elements:

A provision for underlying Temporary Accommodation and Rough Sleeping pressures of over £1m was provided in the 2021/22 budget, which was expected to be supported by additional funding from the government's announcement of an additional £254 million national funding. This pressure has now been met by an extra £1.006m Homeless Prevention Grant allocation in December 2022.

A small overspend of £0.024m on employee costs across TA/EA.

An underspend of (£0.100m) relating to the feasibility work for the possible introduction of an ethical lettings agency which Housing Committee agreed not to pursue at this time

Emergency accommodation is forecast to overspend by £0.130m, an improvement compared to a forecast £0.292m at month 7 as a result of the numbers of households in EA reducing throughout the year. There are plans to reduce levels further in the remainder of the year to reduce spend and get closer to the savings target, however, this is proving more difficult in recent months as there have been more placements than forecast and also moves out of emergency accommodation slowed down over the festive period.

The overall cost of private sector leased TA is forecast to overspend by £0.686m. The largest pressure on this budget is the repairs costs for leased TA properties which is forecast to overspend by £0.409m due to inflationary pressures and the backlog of repairs needed in the first half of the year. There is also a forecast overspend on the contribution to the bad debt provision of £0.279m and £0.153m on Housing Benefit Subsidy. The current number of empty leased properties in TA has steadily reduced so far this year as the backlog of works is cleared. However, there are still more properties empty for longer than the current budget allows for and the

budget for rent loss on voids is still overspending by £0.126m. The rental costs of private sector leased properties for TA have continued to rise as contracts are renewed at higher rates but there are now fewer properties, and so the net rental costs are forecast to underspend by (£0.242m) with further minor overspends across this service of (£0.039m).

For this year, the housing service has a one-off budget of £1.280m (carried forward from 2021/22) for homelessness prevention which may relieve the immediate rising cost of living pressures for households and therefore allow further reduction in EA/TA numbers. This budget is now forecast to underspend by £0.900m which alleviates a large proportion of the overspends above but still allows for significant spend for the remainder of the year to prevent homelessness and reduce costs.

Even though numbers of households in Emergency Accommodation (EA) and Temporary Accommodation (TA) have reduced and the majority of the £1.780m of savings have been made, the service is still overspending, largely as a result of inflationary pressures on repairs and rental costs of TA and EA.

Separately to this, Seaside Homes is forecast to overspend by £0.599m due to similar pressures on repairs costs, the contribution to bad debt provision and void rent loss due to backlogs caused by the pandemic and current inflationary pressures.

The Housing service will continue to seek additional cost reductions to reduce the overspend further through the continuation of the Homelessness Transformation Programme which is an 'end to end' improvement programme to help the service improve its processes to reduce the use and length of stay in Temporary Accommodation by improving homeless prevention, homeless processes and enabling move on to more sustainable accommodation. The service is already seeing reductions to the number of households in TA through a combination of better prevention from homelessness and improved move-on. Further efficiencies will be sought by (for example) continuing to improve the prevention of homelessness, improve void turnaround times in emergency accommodation, and improving income collection thereby continuing to reduce costs in 2022/23 and future years in line with the budget strategy.

4.7 **Environment, Economy & Culture:** The Directorate has substantial income budgets for parking, planning and venues and for the council's commercial property portfolio, all of which are dependent on visitor numbers and commercial activity. There are also challenging savings in-year of which most relate to additional income. Of the £2.730m savings proposed for the current financial year £1.130m net of pressures is achieved or anticipated to be achieved, with the remaining £1.600m at risk but with signs of improvement.

Price increases have been applied, however the anticipated income has yet to be fully achieved as these areas are dependent on demand including tourism and visitor numbers. The most significant areas of shortfall are £0.605m for parking tariff increases, £0.689m for resident permit increases where demand has reduced, £0.070m reduction of agency budgets for

CityClean, £0.057m for increased Development Planning fees & charges and reduction of maintenance budgets of £0.080m within Property. These activities and services had been heavily impacted by COVID-19 in previous years and the services are starting to see recovery, but these targets will only be achieved if demand returns fully to pre-pandemic levels.

The directorate also holds large budgets for the waste collection and street cleansing services which are forecasting greater than budgeted costs due to agency cover of vacant posts. As recruitment into these posts is conducted, high agency spend should reduce the overspend on these services. The overall effect of these factors is a forecast risk of £0.678m for Month 9.

The Directorate is applying financial recovery measures of reviewing expenditure budgets and income potential throughout the year to address budget overspends within the Venues services. These financial recovery measures will seek to reduce the forecast risk to £0.604m. This is an improvement of £1.843m since Month 7 due to spending and recruitment controls to address the financial position including delayed expenditure and vacancy freezes, as well as positive trends in some income areas.

4.8 **Governance, People and Resources:** There is a forecast pressure of £1.567m relating to current and former Orbis services which is split into three main components as follows:

£0.685m relates to the financial impact of disaggregating (withdrawing) various services including Business Operations (now part of Welfare, Revenues & Business Support), Finance, and HR. This relates both to the impact of reversing previously integrated roles, resulting in an associated loss of economies, as well as the realisation of unachieved savings in Business Operations due to the divergence of the partners' business requirements, including the procurement of different corporate HR and Finance systems, and the associated impact on being unable to achieve the planned integration and standardisation of services.

BHCC's contribution to the Partnership has also increased by £0.755m in respect of continuing Orbis services. However, this cost primarily relates to IT&D and includes revenue and capital financing costs of addressing historic under-investment including infrastructure, digital and service requirements in BHCC, together with an increase in service demands, for which it is required to contribute a higher contribution under the terms of the Inter-Authority Agreement.

The separate pressure relating to BHCC's share of an expected Orbis Partnership overspend of £0.300m in 2022/23 is currently £0.127m.

4.9 **Corporately-held Budgets:** There is a forecast overspend of £2.746m on corporately-held budgets, however, this is primarily because the projected additional costs of the NJC Local Government 2022/23 pay award are held on this budget line. The projected additional cost is £5.067m which is based on the employers' pay award offer of a £1,925 flat-rate increase for all NJC salaries plus an uplift of allowances and an additional days' leave.

This is £0.522m higher than initially estimated. This is equivalent to a 6.3% increase on the payroll compared with the 2% increase included in the budget for 2022/23. This pressure is after allowing for the £1.260m remaining one-off provision for pay from the 2021/22 outturn.

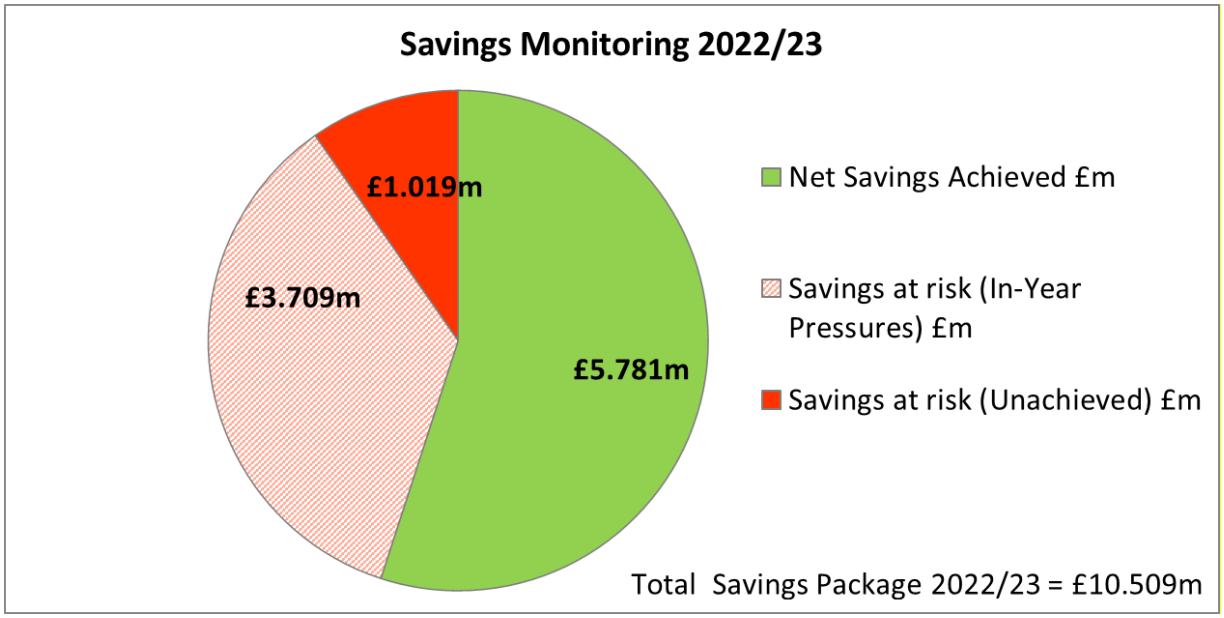
There is also an estimated pressure of £0.761m on Housing Benefit Subsidy income. Of this pressure, £0.550m relates to a particular benefit type for vulnerable tenants (Regulation 13) which is not fully subsidised. This is being investigated to fully understand the reasons for the growth in this area and identify potential actions to minimise future subsidy losses. There is also a pressure of £0.281m on the net recovery of overpayments and other areas. The surplus on the recovery of overpaid former council Tax Benefit is currently forecast at £0.070m.

The above are partially offset by increased investment income from investing cash balances of £2.441m which is predominantly due to the increasing interest rate environment which is driving up investment returns. There is also a saving of £0.406m following the reversal of the National Insurance increase from November and £0.383m following the release of unrequired contingency items.

**Monitoring Savings**

4.10 The savings package approved by full Council to support the revenue budget position in 2022/23 was £10.509m following directly on from a £10.687m savings package in 2021/22. This is very significant and follows 12 years of substantial packages totalling over £198m that have been necessary to enable cost and demand increases to be funded alongside managing substantial reductions in central government grant funding.

4.11 Appendix 4 provides a summary of savings in each directorate and indicates in total what is anticipated/achieved, what has been offset by in year pressures and the net position of savings at risk. Appendix 5 summarises the position across all directorates and presents the entire savings programme. The graph below provides a summary of the position as at Month 9 and shows that in total £4.728m (45%) is currently at risk. This is made up of £1.019m of unachieved savings and £3.709m of savings that were achieved but have been offset by in-year pressures detailed earlier. Mitigation of these risks will be included in the development of services' financial recovery actions as far as possible.




## 5 Housing Revenue Account Performance (Appendix 4)

5.1 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 and housing benefits (rent rebates). The forecast outturn is an overspend of £1.295m and more details are provided in Appendix 4.

The HRA is having to manage the rising cost of inflation, including costs of utilities and repairs to tenants' homes alongside increasing support for tenants. Work also continues to address the rent loss and other costs associated with the remaining backlog of empty properties, albeit it is still anticipated that this will exceed the budget set in February 2022. The reported overspend also includes a short term pressure relating to financing costs as a result of borrowing being undertaken early than anticipated in order to take advantage of more favourable interest rates.

The service will continue to review spend to try to reduce this forecast overspend during the year. If this cannot be managed within budget then the overspend will be met from other HRA resources including reviewing the revenue contribution to capital and reserves position, as outlined in the HRA budget report for 2022/23 the level of reserves continues to be monitored.

## 6 Dedicated Schools Grant Performance (Appendix 4)

6.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant within the General Fund 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 currently an overspend of £0.053m and more details are provided in Appendix 4. Under the Schools

Finance Regulations any underspend or overspend must be carried forward to support the schools budget in future years.

## 7 NHS Managed S75 Partnership Performance (Appendix 4)

7.1 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.

7.2 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 underspend of £0.345m is currently forecast and more details are provided in Appendix 4.

## 8 Capital Programme Performance and Changes

8.1 The table below provides a summary of capital programme performance by Directorate and shows that there is a forecast underspend of £1.002m at this stage.

| Forecast Variance Month 7 £'000 | Directorate | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|
| (35) | Families, Children & Learning | 10,628 | 10,593 | (35) | -0.3% |
| 50 | Health & Adult Social Care | 455 | 513 | 58 | 12.7% |
| 7,887 | Economy, Environment & Culture | 61,870 | 61,870 | 0 | 0.0% |
| 0 | Housing, Neighbourhoods & Communities | 5,476 | 5,336 | (140) | -2.6% |
| 1,128 | Housing Revenue Account | 81,208 | 80,438 | (770) | -0.9% |
| 0 | Governance, People & Resources | 2,057 | 1,942 | (115) | -5.6% |
| 9,030 | Total Capital | 161,695 | 160,693 | (1,002) | -0.6% |

8.2 Appendix 6 shows the changes to the capital budget and Appendix 7 provides details of new schemes for 2022/23 to be added to the capital programme which are included in the budget figures above. Policy & Resources 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 Budget Council.

| | Reported Budget Month 9 |
|---|---|

| Summary of Capital Budget Movement | £'000 |
|---|---|
| Budget approved as at TBM month 7 (October) | 221,002 |
| Changes reported at other committees and already approved | (11,608) |
| New schemes to be approved in this report (see Appendix 5) | 80 |
| Variations to budget (for approval) | 3,100 |
| Reprofiling of budget (for approval) | (47,211) |
| Slippage (for approval) | (3,668) |
| **Total Capital** | **161,695** |

## 9 IMPLICATIONS FOR THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)

9.1 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 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

9.2 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, Modernisation Fund, Asset Management Fund and the Information, Technology and Digital Investment Fund. The planned profile of capital receipts for 2022/23, as at Month 9, is £1.3m which includes receipts expected from Patcham Place Lodge, 8-9 Kings Road plus a number of lease extensions. To date there have been receipts of £0.968m in relation to the sale of Patcham Place Lodge plus some minor lease payments and lease extensions. The capital receipts performance will be monitored over the remainder of the year against capital commitments

9.3 The forecast for the 'right to buy sales' in 2022/23 (after allowable costs, repayment of housing debt and forecast receipt to central government) is that an estimated 40 homes will be sold and net retained receipt of up to £3.500m available to re-invest in replacement homes. In addition to this net retained receipt, the HRA will also retain circa £0.500m to fund investment in the HRA capital programme. To date 29 homes have been sold in 2022/23.

### Collection Fund Performance

9.4 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 & 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.

9.5 The council tax collection fund forecast deficit has decreased by £0.377m to £1.798m for the financial year outside of the 3-year spread of the deficit from 2020/21 where the final year repayment is within the budget projection for 2023/24. The main reason for the change is an increased liability from new properties and banding changes. The main components of the overall deficit are Severely Mentally Impaired (SMI) exemptions £0.886m, Council Tax Reduction (CTR) awards £0.636m, student exemptions £0.348m, single person discounts £0.258m and patient exemptions £0.242m, all partially offset by increased liability from new properties and banding changes (£0.690m). The council's share of the overall deficit of £1.798m is £1.523m.

9.6 The business rates retained forecast for 31 March 2023, including S31 compensation grant funding and S31 timing reserve, is due to result in a surplus for the council of £1.573m. The surplus has arisen from a combination of the partial release of appeals provisions for both the 2010 and 2017 lists as well as reduced award of mandatory charity relief and increased liability. There are a range of risks that could change this forecast with the main variable factors being the level of business failures and any step increase in empty properties. This will, in part, be dependent on government support for business to manage inflationary impacts including energy costs.

**Reserves, Budget Transfers and Commitments**

9.7 The creation of reserves, the approval of budget transfers (virements) of over £0.250m, and agreement to new financial commitments of corporate financial significance that are not provided for in the approved budget and policy framework require Policy & Resources Committee approval in accordance with the council's Financial Regulations and Standard Financial Procedures. At this stage there are no items requiring approval.

## 10 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

10.1 The provisional outturn position on the General Fund is an overspend of £6.573m. This includes a forecast underspend of £0.345m on the council's share of the NHS managed Section 75 services. This is estimated to improve further by £2m due to the continued application of spending and recruitment controls until 31 March 2023 alongside ongoing financial management actions.

10.2 Any overspend at year-end would need to be met from available one-off resources or the Working Balance. Use of the latter will require replenishment of the Working Balance to the approved level, currently £9m, over the period of the medium term financial strategy (4 years).

## 11 COMMUNITY ENGAGEMENT & CONSULTATION

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

## 12 CONCLUSION AND COMMENTS OF THE CHIEF FINANCE OFFICER (S151 OFFICER) AND OTHER MATTERS

12.1 The forecast overspend as at Month 9 is £6.573m which is an important forecast in the context of setting the budget for next year. This is because the month 9 forecast accompanies the annual General Fund Budget Report

to Policy & Resources Committee which must demonstrate how the council will achieve a balanced budget for 2023/24 including addressing any implications for one-off resources. An overspend in the current year would need to be met by identified one-off resources. The overall position of one-off resources is therefore set out in the General Fund Budget Report, including any projected overspend in 2022/23.

12.2 However, in this respect, the overspend projection for this year is expected to improve further because current spending and recruitment controls will now need to remain in place through to 31 March 2023. In addition, there are discussions regarding further NHS funding that are expected to alleviate winter pressure further. The estimated improvement by year-end is expected to be approximately £2m and this will be assumed in the General Fund Budget report. The actual funding of one-off resource requirements will not be confirmed until the final revenue budget outturn is determined in May/June alongside the final Collection Fund deficit and any other identified calls on one-off resources.

12.3 The primary sources for meeting any outturn overspend, Collection Fund deficit and other one-off requirements will be:

i) Any reserves able to be released through the normal review of reserves undertaken as part of the budget process;

ii) Any new unallocated one-off resources received by the council and available for general use, and;

iii) Where these are insufficient to meet all one-off demands, use of the council's Working Balance.

Regarding iii) above, any use of the Working Balance would need to be replenished to an agreed level, currently £9m, over the medium term financial strategy period.

## 13 FINANCIAL AND OTHER IMPLICATIONS

Financial Implications:

13.1 The financial implications are covered in the main body of the report. Financial performance is kept under review on a monthly basis by the Executive Leadership Team and the management and treatment of forecast risks is considered by the Audit & Standards Committee as part of its review of strategic risks.

*Finance Officer Consulted: Jeff Coates Date: 23rd January 2023*

Legal Implications:

13.2 Decisions taken in relation to the capital and revenue 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: 23rd January 2023*

Equalities Implications:

13.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

13.4 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 council priorities. In addition, the council's response to managing the impact of the pandemic, in lieu of further government funding announcements, will be important to demonstrate that in a worst case scenario, it has plans to manage the financial impact and avoid financial collapse.

Risk and Opportunity Management Implications:

13.5 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. However, current reserves and balances were not set at a level to manage financial shocks of the scale of the pandemic and any depletion of reserves and balances to manage this position will normally require a plan for replenishment in future years.

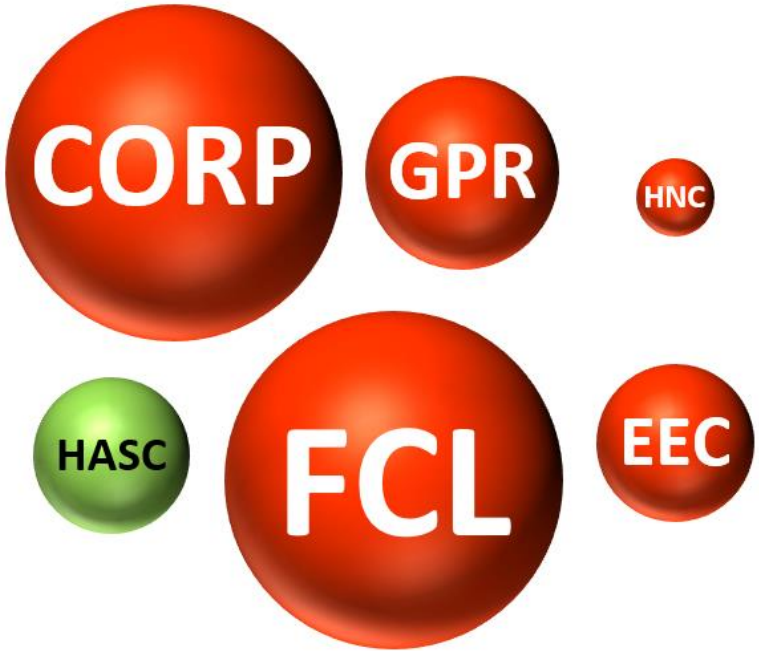
## SUPPORTING DOCUMENTATION

**Appendices:**

1. Financial Dashboard Summary
2. Revenue Budget Movement Since Month 7
3. Revenue Budget RAG Rating
4. Revenue Budget Performance
5. Summary of 2022/23 Savings Progress
6. Capital Programme Performance
7. New Capital Schemes

**Documents in Members' Rooms:**
None.

**Background Documents**
None



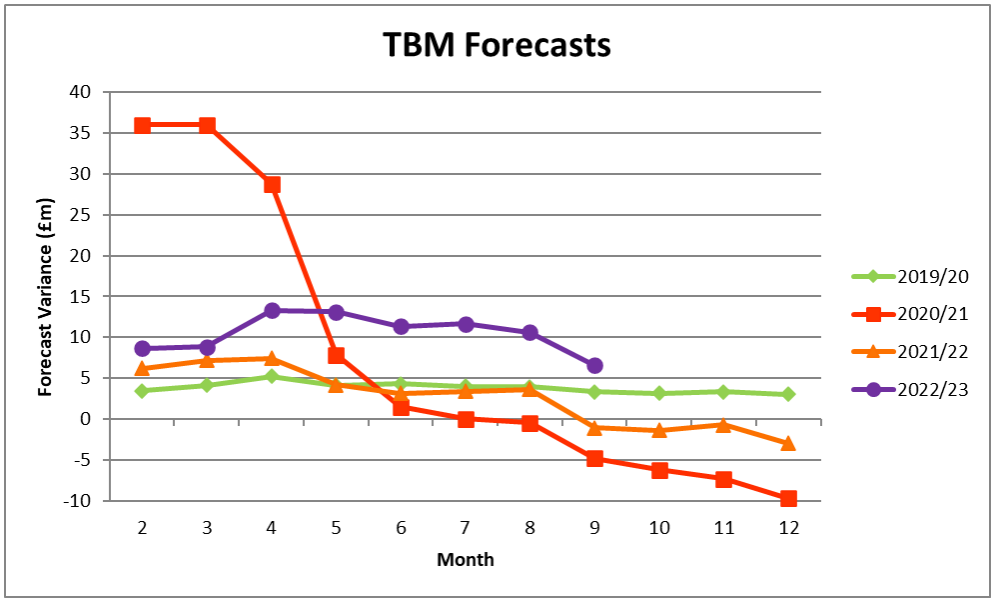

Red = overspent.
Green = Underspent.
Size of bubble indicates scale of under or overspend.
If a directorate is not shown then a break even position is forecast.

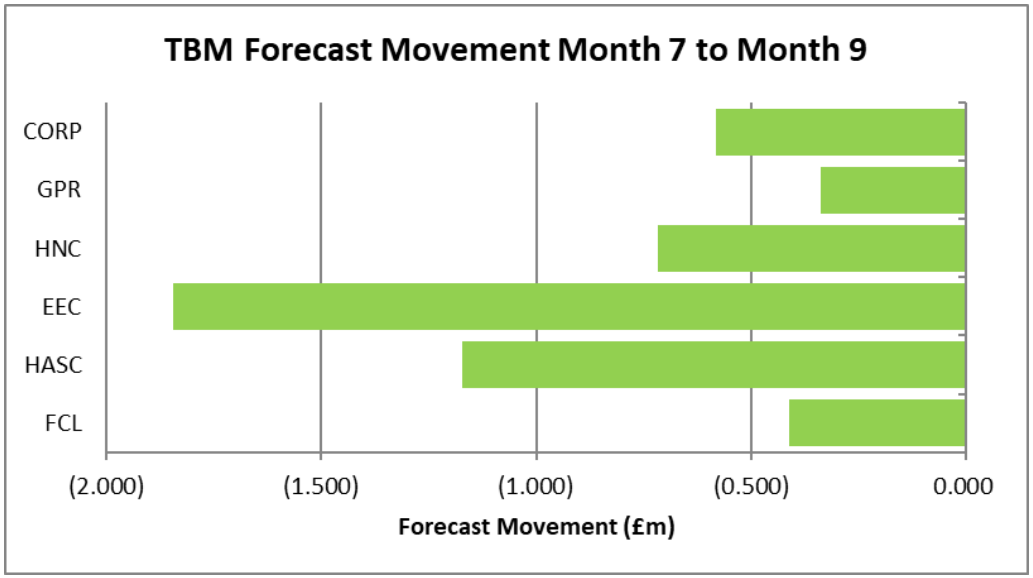


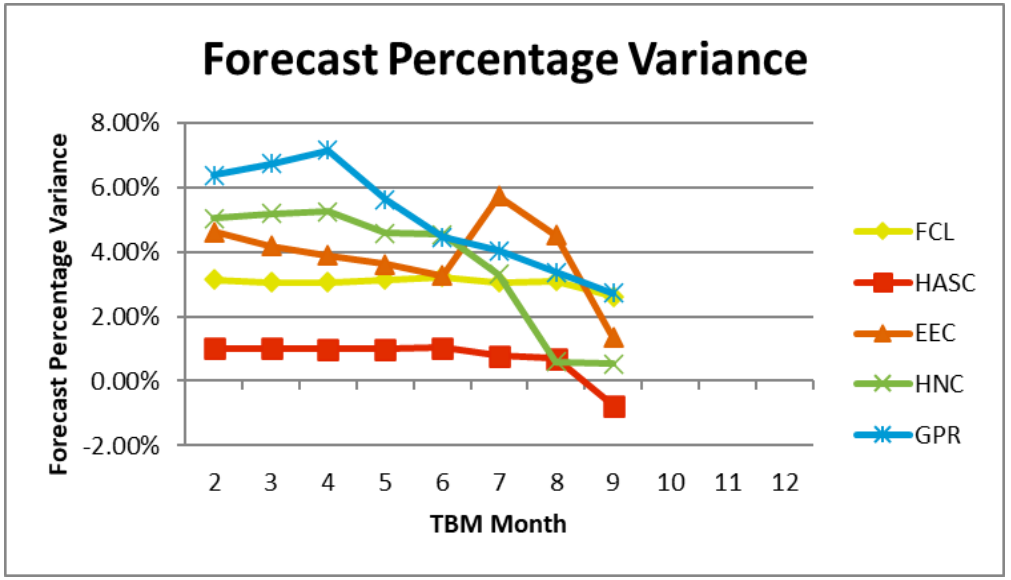
## Direction of Travel

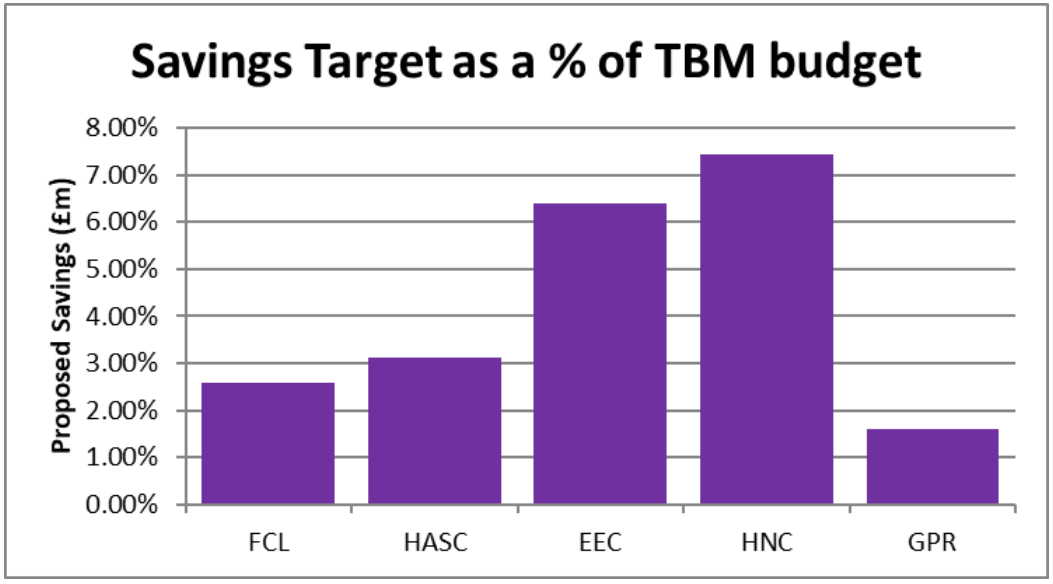
| Directorate/Fund | Forecast Variance Month 9 | Forecast Variance Month 9 | Change From Month 7 | RAG Rating Month 9 |
|---|---|---|---|---|
| | £'000 | % | | |
| General Fund Services: | | | | |
| Families, Children & Learning | 2,763 | 2.6% | ↑ | Red |
| Health & Adult Social Care | (586) | -0.8% | ↑ | Green |
| Economy, Environment & Culture | 604 | 1.3% | ↑ | Red |
| Housing, Neighbourhoods & Communities | 144 | 0.5% | ↑ | Amber |
| Governance, People & Resources | 902 | 2.7% | ↑ | Red |
| Corporately-held Budgets | 2,746 | 6.8% | ↑ | Red |
| Total General Fund | 6,573 | 2.7% | ↑ | Red |
| | | | | |
| Dedicated Schools Grant (DSG) | 53 | 151.4% | ↑ | Red |
| | | | | |
| Housing Revenue Account | 1,295 | 0.0% | ↓ | Red |

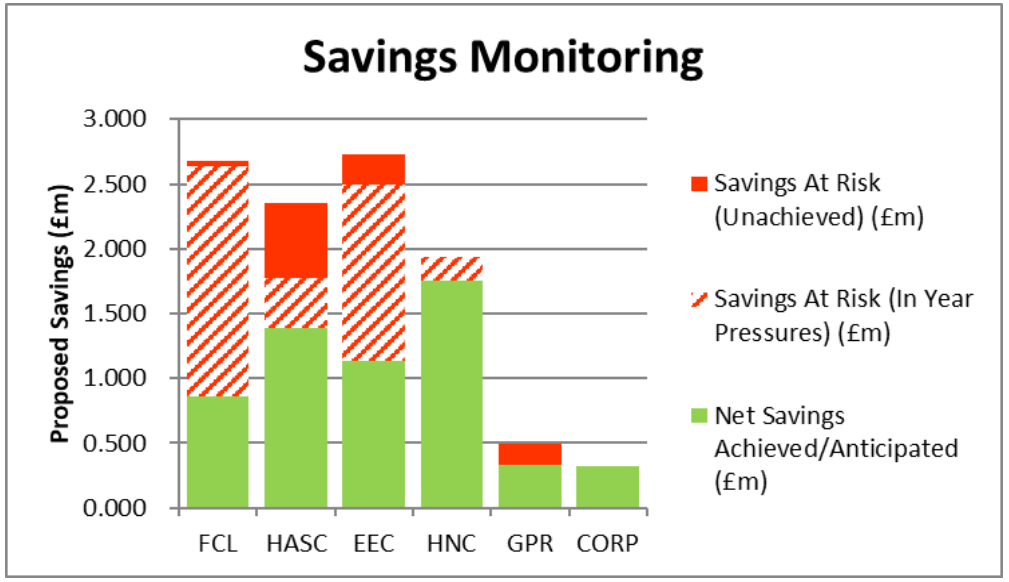
↑ = Improving position, ↓ = Worsening position




TBM Forecast Movement Month 7 to Month 9
CORP
GPR
HNC
EEC
HASC
FCL
(2.000)
(1.500)
(1.000)
(0.500)
0.000
Forecast Movement (£m)


Forecast Percentage Variance
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
Forecast Percentage Variance
2
3
4
5
6
7
8
9
10
11
12
TBM Month
FCL
HASC
EEC
HNC
GPR


Savings Target as a % of TBM budget
8.00%
7.00%
6.00%
5.00%
4.00%
3.00%
2.00%
1.00%
0.00%
Proposed Savings (£m)
FCL
HASC
EEC
HNC
GPR


Savings Monitoring
3.000
2.500
2.000
1.500
1.000
0.500
0.000
Proposed Savings (£m)
FCL
HASC
EEC
HNC
GPR
CORP
Savings At Risk (Unachieved) (£m)
Savings At Risk (In Year Pressures) (£m)
Net Savings Achieved/Anticipated (£m)

| Service | Forecast Variance Month 7 £'000 | Forecast Variance Month 9 £'000 | Movement £'000 | Explanation of Main Movements |
|---|---|---|---|---|
| Director of Families, Children & Learning | (5) | (5) | 0 | |
| Health, SEN & Disability Services | 960 | 965 | 5 | |
| Education & Skills | 1,205 | 1,050 | (155) | Savings in Early Help services and some improvement to Home to School Transport forecast. |
| Children's Safeguarding & Care | 1,154 | 730 | (424) | Achievement of financial recovery measures below plus additional savings on residential placements. |
| Quality Assurance & Performance | 32 | 23 | (9) | Minor movements. |
| Further Financial Recovery Measures | (173) | 0 | 173 | See above. |
| Total Families, Children & Learning | 3,173 | 2,763 | (410) | |
| Adult Social Care | 1,079 | 539 | (540) | Due to temporary staffing vacancies and NHS hospital discharge funding. |
| S75 Sussex Partnership Foundation Trust (SPFT) | (208) | (345) | (137) | Reduction in forecast activity. |
| Integrated Commissioning | (333) | (738) | (405) | Better Care Fund risk-share, temporary staffing vacancies and further delays to the planned service redesign. |
| Life Events | 153 | (42) | (195) | Due to one-off works being delayed to 2023/24. |
| Public Health | 0 | 0 | 0 | |
| Further Financial Recovery Measures | (104) | 0 | 104 | Savings shown above. |
| Total Health & Adult Social Care | 587 | (586) | (1,173) | |
| Transport | 1,530 | 422 | (1,108) | Expenditure improvements of £0.183m are being forecast including off-street car parking costs delayed and staffing vacancies as part of expenditure control measures, and actual Business Rates and unsupported borrowings costs lower than previously forecasted. Economic improvements brought about some income improvement during November and December in on-street and PCN parking incomes with higher volumes of income from visitors than similar months in previous years. The forecast for January to March 2023 has also been adjusted accordingly to take this into consideration. In addition to this, parking suspensions continues to improve due to increasing |

| Service | Forecast Variance Month 7 £'000 | Forecast Variance Month 9 £'000 | Movement £'000 | Explanation of Main Movements |
|---|---|---|---|---|
| | | | | development and works across the city. These improvements and revised forecasts for the remainder of the year have improved parking income forecasts by £0.515m. Increased Street works, Traffic Regulation Orders, Permit Fee and Fixed Penalty Notices income of £0.227m offset by increased permit software costs of £0.029m within Traffic Management. Public Transport Local Transport Fund grant award (£0.060m). Reduced forecast payments to Bus Operators (£0.071m) and Direct Employee costs (£0.020m) within the BSIP (Bus Service Improvement Plan) funding. Reduction in forecast repair costs of £0.054m for Bus Shelters. |
| City Environmental Management | 717 | 243 | (474) | Reductions in staffing forecasts of £0.300m for Waste and Street Cleansing reflecting reduced agency as part of spending controls and part year vacancies from the pay award allocation. £0.060m improvements in trade waste income. Reductions in staffing and forecast expenditure of £0.025m within City Parks as part of spending control in year. Reduction in fleet costs of £0.105m. |
| City Development & Regeneration | 121 | (150) | (271) | £0.113m improvement for reduced and delayed spend for projects within Sustainability and £0.047m within Carbon Neutral as part of expenditure control measures. £0.057m improvement in staffing forecasts following vacancy control measures. Reduced forecast for legal fees of £0.020m and increased internal fees for BHCC schemes of £0.030m within Development Planning. |
| Culture, Tourism & Sport | 100 | 150 | 50 | £0.020m improvement in outdoor events from reduction in event costs and improved hire charge income forecasts. £0.077m additional costs to the Royal Pavilion & Museums Trust reflecting contract obligations. |

| Service | Forecast Variance Month 7 £'000 | Forecast Variance Month 9 £'000 | Movement £'000 | Explanation of Main Movements |
|---|---|---|---|---|
| Property | 255 | 13 | (242) | £0.154m Improvement in rental incomes following rent reviews and reductions in NNDR due to NNDR credits identified. £0.050m improvement from reduced utilities inspection fees. £0.050m improvement in commercial rents contract costs. |
| Further Financial Recovery Measures | (276) | (74) | 202 | Financial Recovery Measures for Parking Services reflected in forecasts |
| Total Economy, Environment & Culture | 2,447 | 604 | (1,843) | |
| Housing General Fund | 1,201 | 366 | (835) | £1.006m extra HPG funding; Seaside Homes contribution to bad debt £0.175m and repairs costs £0.064m; reduced costs of Emergency Accomm (£0.162m); more prevention costs £0.317m, ethical lettings agency (£0.100m); capitalisation (0.078m), and rough sleeper commissioning (£0.55m) |
| Libraries | 100 | 59 | (41) | Reduction in ICT costs, following changes made last year. |
| Communities, Equalities & Third Sector | (134) | (137) | (3) | Minor movements. |
| Safer Communities | (105) | (144) | (39) | Staffing vacancies. |
| Further Financial Recovery Measures | (200) | 0 | 200 | These measures are now incorporated within the forecast. |
| Total Housing, Neighbourhoods & Communities | 862 | 144 | (718) | |
| Chief Executive Monitoring Office | 13 | 8 | (5) | Minor movements. |
| Policy & Communications | (37) | (41) | (4) | Minor movements. |
| Legal & Democratic Services | 158 | 222 | 64 | Primarily due to recently agreed market supplement costs |
| Elections & Land Charges | 68 | 68 | 0 | |
| Customer Modernisation & Data | (115) | (200) | (85) | Vacancy management savings. |
| Finance | (211) | (126) | 85 | Correction of coding of staffing costs. |
| Procurement (Mobo) | 0 | 0 | 0 | |
| HR & Organisational Development | (17) | (215) | (198) | Restructure and vacancy management savings. |
| IT&D (Mobo) | (300) | (400) | (100) | Vacancy management savings. |
| Welfare Revenue & Business Support | 146 | 146 | 0 | |

**Appendix 2 – Revenue Budget Movement Since Month 7**

| Service | Forecast Variance Month 7 £'000 | Forecast Variance Month 9 £'000 | Movement £'000 | Explanation of Main Movements |
|---|---|---|---|---|
| Orbis Services | 1,536 | 1,440 | (96) | Improved forecast for the Orbis Partnership (mainly vacancy savings). |
| Total Governance, People & Resources | 1,241 | 902 | (339) | |
| Bulk Insurance Premia | 110 | 293 | 183 | Increased projected cost for settling claims. |
| Capital Financing Costs | (1,538) | (2,441) | (903) | Increased cash balances and investment rates have led to a continued increase in investment income. Additionally, a review and revision of assumptions for payment of interest to certain reserves during the year has resulted in a reduction of interest paid over. |
| Levies & Precepts | 0 | 0 | 0 | |
| Unallocated Contingency & Risk Provisions | 0 | (383) | (383) | Release of brought forward and in-year contingency in line with spending controls for non-essential spend. |
| Unringfenced Grants | (79) | (79) | 0 | |
| Housing Benefit Subsidy | 761 | 761 | 0 | |
| Other Corporate Items | 4,073 | 4,595 | 522 | Increased cost of pay award. |
| Further Financial Recovery Measures | 0 | 0 | 0 | |
| Total Corporately-held Budgets | 3,327 | 2,746 | (581) | |
| Total General Fund | 11,637 | 6,573 | (5,064) | |

## Appendix 3 – Revenue Budget RAG Ratings

| RAG Rating Key: | RAG for Service Areas | RAG for Directorates[1] | RAG for General Fund |
|---|---|---|---|
| Red | Forecast overspend of 5% or more or £0.100m whichever is lower | Forecast overspend of 5% or more or £0.250m whichever is lower | Forecast overspend of 0.5% or more or £1.000m whichever is lower |
| Amber | Forecast overspend of less than 5% of budget or £0.100m, whichever is lower. | Forecast overspend of less than 5% of budget or £0.250m, whichever is lower. | Forecast overspend of less than 0.5% of budget or £1.000m, whichever is lower. |
| Green | Breakeven or forecast underspend | Breakeven or forecast underspend | Breakeven or forecast underspend |

| Service | 2022/23 Budget Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | RAG Rating Month 9 |
|---|---|---|---|---|
| Director of Families, Children & Learning | 254 | (5) | -2.0% | Green |
| Health, SEN & Disability Services | 50,212 | 965 | 1.9% | Red |
| Education & Skills | 10,451 | 1,050 | 10.0% | Red |
| Children's Safeguarding & Care | 43,039 | 730 | 1.7% | Red |
| Quality Assurance & Performance | 1,612 | 23 | 1.4% | Amber |
| Total Families, Children & Learning | 105,568 | 2,763 | 2.6% | Red |
| Adult Social Care | 46,952 | 539 | 1.1% | Red |
| S75 Sussex Partnership Foundation Trust (SPFT) | 22,836 | (345) | -1.5% | Green |
| Integrated Commissioning | 4,169 | (738) | -17.7% | Green |
| Life Events | (4) | (42) | -1050.0% | Green |
| Public Health | 2,846 | 0 | 0.0% | Green |
| Total Health & Adult Social Care | 76,799 | (586) | -0.8% | Green |
| Transport | (5,568) | 422 | 7.6% | Red |
| City Environmental Management | 38,859 | 243 | 0.6% | Red |
| City Development & Regeneration | 4,445 | (150) | -3.4% | Green |
| Culture, Tourism & Sport | 4,593 | 76 | 1.7% | Amber |
| Property | 2,723 | 13 | 0.5% | Amber |
| Total Economy, Environment & Culture | 45,052 | 604 | 1.3% | Red |
| Housing General Fund | 14,472 | 366 | 2.5% | Red |
| Libraries | 5,090 | 59 | 1.2% | Amber |
| Communities, Equalities & Third Sector | 3,217 | (137) | -4.3% | Green |
| Safer Communities | 3,863 | (144) | -3.7% | Green |
| Total Housing, Neighbourhoods & Communities | 26,642 | 144 | 0.5% | Amber |
| Chief Executive Monitoring Office | 561 | 8 | 1.4% | Amber |
| Policy & Communications | 1,503 | (41) | -2.7% | Green |
| Legal & Democratic Services | 3,296 | 222 | 6.7% | Red |
| Elections & Land Charges | 57 | 68 | 119.3% | Red |
| Customer Modernisation & Data | 1,871 | (200) | -10.7% | Green |
| Finance (Mobo) | 1,979 | (126) | -6.4% | Green |
| Procurement (Mobo) | (37) | 0 | 0.0% | Green |
| HR & Organisational Development (Mobo) | 4,332 | (215) | -5.0% | Green |
| IT&D (Mobo) | 9,717 | (400) | -4.1% | Green |
| Welfare Reveue & Business Support | 8,611 | 146 | 1.7% | Red |
| Contribution to Orbis | 1,255 | 1,440 | 114.7% | Red |
| Total Governance, People & Resources | 33,145 | 902 | 2.7% | Red |

## Appendix 3 – Revenue Budget RAG Ratings

| Service | 2022/23 Budget Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | RAG Rating Month 9 |
|---|---|---|---|---|
| Sub Total | 287,206 | 3,827 | 0 | |
| Bulk Insurance Premia | 3,352 | 293 | 8.7% | Red |
| Capital Financing Costs | 7,846 | (2,441) | -31.1% | Green |
| Levies & Precepts | 219 | 0 | 0.0% | Green |
| Unallocated Contingency & Risk Provisions | 793 | (383) | -48.3% | Green |
| Unringfenced Grants | (49,047) | (79) | -0.2% | Green |
| Housing Benefit Subsidy | (751) | 761 | 101.3% | Red |
| Other Corporate Items | (2,804) | 4,595 | 163.9% | Red |
| Total Corporate Budgets | (40,392) | 2,746 | 6.8% | Red |
| Total General Fund | 246,814 | 6,573 | 2.7% | Red |

| | | | | |
|---|---|---|---|---|
| Capital Financing | 25,553 | 671 | 2.6% | Red |
| Housing Management & Support | 4,620 | 329 | 7.1% | Red |
| Housing Strategy & Supply | 1,446 | (153) | -10.6% | Green |
| Repairs & Maintenance | 14,061 | (228) | -1.6% | Green |
| Housing Investment & Asset Management | 2,649 | (252) | -9.5% | Green |
| Tenancy Services | (48,329) | 927 | 1.9% | Red |
| Total Housing Revenue Account | 0 | 1,295 | 0.0% | Red |

| | | | | |
|---|---|---|---|---|
| Individual Schools Budget (ISB) | 130,701 | 0 | 0.0% | Green |
| Early Years Block (incl delegated to Schools) | 14,034 | (315) | -2.2% | Green |
| High Needs Block (excl delegated to Schools) | 34,341 | 335 | 1.0% | Red |
| Exceptions and Growth Fund | 3,188 | 33 | 1.0% | Amber |
| Grant Income | (182,229) | 0 | 0.0% | Green |
| Total Dedicated Schools Grant (DSG) | 35 | 53 | 151.4% | Red |

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

## Families, Children & Learning

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| (5) | Director of Families, Children & Learning | 254 | 249 | (5) | -2.0% | 0 | 0 | 0 |
| 960 | Health, SEN & Disability Services | 50,212 | 51,177 | 965 | 1.9% | 1,046 | 352 | 694 |
| 1,205 | Education & Skills | 10,451 | 11,501 | 1,050 | 10.0% | 13 | 13 | 0 |
| 1,154 | Children's Safeguarding & Care | 43,039 | 43,769 | 730 | 1.7% | 1,529 | 423 | 1,106 |
| 32 | Quality Assurance & Performance | 1,612 | 1,635 | 23 | 1.4% | 86 | 68 | 18 |
| 3,346 | Total Families, Children & Learning | 105,568 | 108,331 | 2,763 | 2.6% | 2,674 | 856 | 1,818 |
| (173) | Further Financial Recovery Measures (see below) | - | 0 | 0 | - | - | - | - |
| 3,173 | Residual Risk After Financial Recovery Measures | 105,568 | 108,331 | 2,763 | 2.6% | 2,674 | 856 | 1,818 |

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

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Director of Families, Children & Learning | | |
| (5) | Other | |
| Health, SEN & Disability Services | | |
| 679 | Adults with Learning Disabilities - Community Care | The Adults LD community care budget forecast includes an additional fee uplift allocated to some providers in recognition of cost of living increase and minimum wage requirements. This has resulted in an increase in unit costs for the Adult LD community care budget. |
| (157) | Children's Disability Placements | The Children's Disability Placement Budget was further rebased in 2022-23 to accommodate growth in the number and cost of placements. |
| 409 | Adults with Learning Disabilities - in-house provider services | The overspend mainly relates to pressure in the residential respite budget due to the cost of emergency placements at Beach House, and high levels of staff absence at Beaconsfield Villas resulting in very significant agency staff costs. |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| (12) | Children's Disabilities - in-house provision | There is an underlying pressure for respite provision for children with disabilities and a high use of agency / sessional staff but this been offset by one-off contributions from Health in 2022-23 |
| 203 | Disability Section 17 Budget | Emergency high cost, in-home support provided during August to October from the Children's Disability Section 17 budget. |
| (69) | Brighton and Hove Inclusion Support Service | There is an underspend against the Brighton and Hove Inclusion Support Service mainly linked to small underspends against education psychologists, mental health support and the Schools Wellbeing service. |
| (88) | Other | Other variances include an underspend on the SEN team budget due to delay in implementation of a new team structure and an underspend on the 14-25 disability social work pod due to high staff turnover and vacancies during the year. |
| Education & Skills | | |
| 1,158 | Home to School Transport | Based on the current data held on Mobisoft, the updated forecast overspend for Home to School Transport is £1.158m. This forecast takes account of the effect of the current contracted routes which assumes 452 5-16 pupils and 116 post 16 pupils for the remainder of the financial year. The overspend includes an overspend of £0.260m relating to increasing costs of 19-25 year olds previously charged to the DSG. The variance also includes an anticipated overspend of £0.079m relating to increasing numbers of bus passes being issued with the majority relating to allocated school places beyond the statutory distance. Costs have increased considerably from September and are related to a combination of the factors which include, demand. single occupancy journeys, out of city placements, inflation and returned routes. |
| (33) | Early Years, Children's Centres, Nurseries, Early Help and Childcare | Underspend in children's centres and Integrated Team for Families partially offset by overspend in council nurseries. Council nurseries are showing a predicted overspend of £0.067m which is mainly linked to high agency costs as a result of staff absence. |
| (75) | Other | |
| Children's Safeguarding & Care | | |
| 1,100 | Demand-Led - Children's placements | The overspend is the result of a number of different factors. There are significant overspends in Residential Homes and semi-Independent placements due to increasing difficulty in finding suitable foster carers due to sufficiency problems. This is partially off-set by underspends in the external Fostering budget. There are also significant overspends for Care Leaver costs as rising numbers of care leavers require financial support for accommodation. |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| (263) | Social Work and Adolescent Teams | There have been a number of vacancies across the social work teams. Recruitment is ongoing but a small number of posts are now being covered by Agency social workers. |
| (73) | Fostering & Adoption | The underspend is due to problems recruiting to vacant posts across the service. |
| (34) | Other | Minor variances. |
| Quality Assurance & Performance | | |
| 23 | Other | Minor variances. |

## Health & Adult Social Care (HASC)

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 1,079 | Adult Social Care | 46,952 | 47,491 | 539 | 1.1% | 1,465 | 844 | 621 |
| (208) | S75 Sussex Partnership Foundation Trust (SPFT) | 22,836 | 22,491 | (345) | -1.5% | 689 | 424 | 265 |
| (333) | Integrated Commissioning | 4,169 | 3,431 | (738) | -17.7% | 70 | 70 | 0 |
| 153 | Life Events | (4) | (46) | (42) | -1050.0% | 129 | 52 | 77 |
| 0 | Public Health | 2,846 | 2,846 | 0 | 0.0% | 0 | 0 | 0 |
| 691 | Total Health & Adult Social Care | 76,799 | 76,213 | (586) | -0.8% | 2,353 | 1,390 | 963 |
| (104) | Further Financial Recovery Measures (see below) | - | 0 | 0 | - | - | - | - |
| 587 | Residual Risk After Financial Recovery Measures | 76,799 | 76,213 | (586) | -0.8% | 2,353 | 1,390 | 963 |



### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Adult Social Care | | |
| 943 | Demand-Led Community Care - Physical & Sensory Support | The forecast number of placements/packages is 1,951 WTE, which is below the budgeted level of 2,080 WTE placements. The average unit cost of a placements/package is higher than the budgeted level at £292 per week (£27 per week above budget per client). The combination of the number of adults placed being 129 WTE below the budgeted level and the increased unit costs result in the overspend of £0.943m. Therefore, the unit costs are 10% above budget however the overall activity is below budget. This is due to areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures. |
| (350) | Demand-Led Community Care - Substance Misuse | There are relatively small numbers of clients within this service and the average unit cost is below the budgeted unit cost which is resulting in the projected underspend of £0.350m. |
| (296) | Assessment teams | This is due to a number of temporary vacancies across the Assessment teams. |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| 386 | Community Equipment service | Forecast overspend due to increased unit costs of equipment. |
| (150) | In-house provision | Due to additional income above budget and temporary staffing vacancies. |
| 6 | Other | |
| S75 Sussex Partnership Foundation Trust (SPFT) | | |
| (306) | Demand-Led - Memory Cognition Support | The client numbers are below budget which results in the underspend projection of £0.306m.<br>The forecast number of placements/packages is 362 WTE which is below the budgeted level of 442 WTE placements. The average unit cost is above the budgeted level at £504 per week (£77 per week above budget). Therefore, the overall activity is 80 WTE below budget and the unit costs are 18% above budget. This is due to areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures and market conditions. |
| (179) | Demand-Led - Mental Health Support | The client numbers are below budget resulting in the underspend projection of £0.179m. There is an increasing need and complexity within this client group and the forecast number of placements/packages is 483 WTE, which is below the budgeted level of 554 WTE placements. The average unit cost of a placement/package is above the budgeted level at £375 per week (£42 per week above budget per client).<br>This is due to an additional contribution to Section 117 from Health Partners and areas where suitable provision is not currently accessible to meet identified need as a result of workforce pressures. |
| 140 | Staffing teams | Unable to deliver in-year savings target and negotiations with Health are ongoing. |
| Integrated Commissioning | | |
| (651) | Commissioning | Projected Better Care fund risk share 2022/23 and delays in the planned service redesign and temporary vacancies. |
| (87) | Contracts | One-off underspend against block contracts. |
| Life Events | | |
| (42) | Life Events | The forecast of £0.042m underspent is a reduction of £0.195m from Month 7. There is a projected underspend of £0.219m due to temporary staffing vacancies. This is partly offset by a forecast income shortfall of £0.120m and there are also pressures totalling £0.066m due to additional grounds maintenance work and professional fees. |

## Economy, Environment & Culture

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 1,530 | Transport | (5,568) | (5,146) | 422 | 7.6% | 1,777 | 466 | 1,311 |
| 717 | City Environmental Management | 38,859 | 39,102 | 243 | 0.6% | 229 | 159 | 70 |
| 121 | City Development & Regeneration | 4,445 | 4,295 | (150) | -3.4% | 182 | 83 | 99 |
| 100 | Culture, Tourism & Sport | 4,593 | 4,743 | 150 | 3.3% | 200 | 190 | 10 |
| 255 | Property | 2,723 | 2,736 | 13 | 0.5% | 342 | 232 | 110 |
| 2,723 | Total Economy, Environment & Culture | 45,052 | 45,730 | 678 | 1.5% | 2,730 | 1,130 | 1,600 |
| (276) | Further Financial Recovery Measures (see below) | - | (74) | (74) | - | - | - | - |
| 2,447 | Residual Risk After Financial Recovery Measures | 45,052 | 45,656 | 604 | 1.3% | 2,730 | 1,130 | 1,600 |

### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Further Directorate Financial Recovery Measures | | |
| (74) | Venues | Review of expenditure budgets and additional income potential within Venues to address the current overspend. |
| Transport | | |
| 829 | Parking Services | Overall Parking Services is forecasting an overspend of £0.829m (-1.92% of income targets) at Month 9 against a £27.113m net income budget. The service is forecasting a loss of income of £1.741m (-14.02%) on parking permit income compared to a budget of £12.400m, most of which is due to the reduced demand in residents and visitor permits across zones and the loss of parking capacity due to active travel measures over the last two years. The number of permits themselves (36,000 resident permits, 15,000 other permits and 360,000 visitor permits per year) are not declining overall due to all the new parking schemes introduced, but there are harder to attain income targets from increased prices. On-street parking income is forecast to be £1.315m (-9.45%) underachieved |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | compared to a £13.900m budget and off-street parking is forecast to be £0.041m (-0.47%) underachieved compared to a £8.700m Budget.<br><br>The underachievement of resident permits and reduced forecasts within on-street parking is likely to be as a result of the significant estimated loss of income against budget of £0.979m as a result of the loss of permit and paid parking spaces due to active travel measures (e.g. Madeira Drive, Old Town, A259 – eastern section) introduced over the last two years. This will be exacerbated with the upcoming reductions in parking spaces for the A259 (western section), A23, Low traffic neighbourhood scheme, school streets, Valley Gardens Phase 3, work on Madeira Terraces and the cycle hangers programme which will be discussed in future TBM review meetings and Transport Management Team meetings. This underachievement is offset by forecast surplus income for Parking Suspensions of £0.516m (+63.52%) against a £0.813m budget as well as PCN income, net of bad debt provision, of £1.735m (+25.93%) against a £6.700m budget.<br><br>The budget does contain a pressure relating to the Traffic Control Centre restructure of £0.522m which is being funded by additional enforcement activities started in 2022/23 within figure above (Wider bus stop enforcement, Cycle lane enforcement etc) as well in the future from further schemes from 2023/24 onwards. The pressure from parking income shortfalls is partly offset against underspends (some related to less paid parking income) in transactional and contract costs, unsupported borrowings, staffing vacancies and other costs of £0.584m. |
| (225) | Traffic Management | Income over achievement for Hoarding Fees, Traffic Regulation Orders, Events and Sample Inspection Fees. These are partly offset by waived fee income and other highways costs greater than budget. |
| (182) | Transport Projects and Engineering | Reduced payments to Bus Operators (£0.071m) and Direct Employee costs (£0.020m) with the BSIP (Bus Service Improvement Plan) funding. Bus Shelter repair costs are forecast (£0.054m) less than budget. Bus Shelter Electricity costs are forecast to exceed budget by £0.056m as a result of a more accurate inventory and time cost allocation as well as increased utility charges. Computer Software costs are forecast to be less than budget (£0.025m). Local Transport Fund grant award notified to Public Transport (£0.060m). |
| City Environmental Management | | |
| 348 | City Clean | Overspend of £0.226m is due to waste collection and street cleansing (operational) agency costs due to vacancies across the service. Recruitment into vacant posts, managing of |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | attendance and recruitment freezes has seen these costs reduce during the year. £0.132m overspend within Public Conveniences due to greater than budgeted utility costs, consumables and staffing required to maintain cleaning levels. Forecasted Public Conveniences costs have reduced following closure of select toilets within the city. |
| (40) | City Parks | Staffing underspends within City Parks. |
| (60) | Fleet & Maintenance | Increased costs at Hollingdean Depot £0.090m. Additional income activities (£0.045m) and reduction in fleet costs (£0.105m). |
| (5) | Head of City Environmental Management | Minor underspends. |
| City Development & Regeneration | | |
| 296 | Development Planning | Underachievement of Planning and Building Control income of £0.588m as there is still some uncertainty over levels of service post-covid, although the income trend will become more apparent as the year progresses. However, there are underspends of (£0.289m) from several staffing vacancies in both services. |
| (117) | Planning Policy and Major Projects | Underspend of (£0.120m) on professional and consultant fees offset by small underachievement of income £0.005m. |
| (348) | Sustainability & International | External funding received for sustainability projects plus reduced and delayed spend on projects (£0.271m). Staffing underspends of (£0.060m) and other various underspends. |
| 32 | Economic Development | Overspend due to Coast to Capital LEP fee not reduced as much as anticipated. |
| (13) | Business Development and Customer Services | Underspend on vacancies (£0.055m) plus various other underspends (£0.003m) offset by overspend on agency costs to cover posts £0.016m, computer software £0.019m and underachieved fee income £0.010m. |
| Culture, Tourism & Sport | | |
| (11) | Arts | Underspend due to vacancies during the year. |
| 16 | Sport and Leisure | Outdoor Events are experiencing a pressure from the cancellation of a number of programmed events as a result of organisers experiencing significant cost increases and attendance reduction in the sector. Some other smaller events are moving to 2023 instead. Welcome Back Fund/Reopening High Street Fund did not cover all project expenditure as anticipated therefore leaving a small balance of £0.027m overspend. |
| 78 | Venues | Forecast overspend from utility price increases based on costs to date. The Brighton Centre is working closely with Property & Design to get accurate readings processed to facilitate future forecasts and will endeavour to address this overspend by either reducing expenditure on other budgets or increasing income levels. To assist this, an interim spending freeze on non-essential spend has now been introduced. |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| 77 | Heritage and Archives | Additional costs paid to RPMT under terms within the contract. |
| (10) | Tourism and Marketing | Minor underspends. |
| Property | | |
| 13 | Property and Design | The pandemic legacy continues to affect the commercial portfolio rental position with some vacancies at Hove Technology Centre and Lyndean House resulting in £0.165m forecast underachievement of income as well as NNDR bills for vacant properties. Following a recent review of the NNDR accounts, credits have been identified through revaluations plus a rent review of one of the major tenants, leading to increased income.<br><br>In-house printing continues to show a historic pressure due to the reduction in demand resulting in £0.086m forecast underachievement of costs recovered. The security budget is showing a forecast overspend of £0.200m due to higher contract costs following the re-tendering during 2021/22 plus security pressures from vacant properties. These costs are partly offset by vacancies held during the first part of the year and forecast underspends on planned maintenance. |

## Housing, Neighbourhoods & Communities

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 1,201 | Housing General Fund | 14,472 | 14,838 | 366 | 2.5% | 1,780 | 1,600 | 180 |
| 100 | Libraries | 5,090 | 5,149 | 59 | 1.2% | 77 | 77 | 0 |
| (134) | Communities, Equalities & Third Sector | 3,217 | 3,080 | (137) | -4.3% | 40 | 40 | 0 |
| (105) | Safer Communities | 3,863 | 3,719 | (144) | -3.7% | 35 | 35 | 0 |
| 1,062 | Housing, Neighbourhoods & Communities | 26,642 | 26,786 | 144 | -4.3% | 1,932 | 1,752 | 180 |
| (200) | Further Financial Recovery Measures (see below) | - | 0 | 0 | - | - | - | - |
| 862 | Residual Risk After Financial Recovery Measures | 26,642 | 26,786 | 144 | 0.5% | 1,932 | 1,752 | 180 |

### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Housing General Fund | | |
| 734 | Temporary Accommodation | A provision for underlying (TA) and Rough Sleeping pressures of over £1m was provided in the 2022/23 budget, which was expected to be supported by additional funding from the government's announcement of an additional £254 million national funding and was reported as an overspend up to Month 7. This overspend has now been mitigated by an extra allocation of £1.006m Homelessness Prevention Grant for 2022/23 in December 2022. The whole of Temporary and Emergency accommodation is now forecast to overspend by £0.734m consisting of:<br>- a small overspend of £0.024m on employee costs across TA/EA<br>- an underspend of (£0.100m) relating to the feasibility work relating to an ethical lettings agency which Housing Committee agreed not to pursue at this time.<br>- leased TA is forecast to overspend by £0.686m. Repairs costs have increased substantially compared to 2021/22 and this budget is forecast to overspend by £0.409m. There is also a forecast overspend on the contribution to the bad debt provision of £0.279m |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | and £0.153m on Housing Benefit Subsidy. The current number of empty leased properties in TA has steadily reduced so far this year as the backlog of works is cleared. However, there are still more properties empty for longer than the current budget allows for and the budget for rent loss on voids is overspending by £0.126m. The rental costs of private sector leased properties for TA have continued to rise as contracts are renewed at higher rates but there are now fewer properties, and so the net rental costs are forecast to underspend by (£0.242m) with further minor overspends across this service of (£0.039m). - Emergency Accommodation (EA) is forecast to overspend by £0.130m. There are plans in place to further reduce the use of block booked and nightly booked accommodation by the year end, however, given the numbers of households facing financial hardship and the rising rental costs in the city, the forecast assumes that those targets will not be fully met by 31st March 2023. |
| (55) | Commissioned Rough Sleeper and Housing related Support Services | The commissioned services budget for supported accommodation and rough sleepers is forecast to underspend by £0.055m as a few small projects have not commenced as originally scheduled. |
| 197 | Additional emergency hotel accommodation | The costs of extra emergency hotels taken on during the pandemic is forecast to overspend by £0.197m as hotels are being decanted later than anticipated at budget setting time. The one remaining hotel was decanted at the end of October. |
| (821) | Housing Options | There is a forecast underspend of (£0.900m) due to an underspend on the one-off homelessness prevention budget that was carried forward from 2021/22. This is offset by overspends on staffing. |
| 559 | Seaside Homes | The repairs budgets for these properties are forecast to overspend by £0.329m and the forecast contribution to the bad debt provision for Seaside homes is forecast to overspend by £0.093m. There is also an overspend on the loss of rent on void properties which is forecast to be £0.109 higher than budgeted due to a higher level of churn as more households are moved on from temporary accommodation. Other minor variances across seaside £0.028m. |
| (248) | Private Sector Housing | Forecast underspend as a result of the bringing in house the Home Improvement Agency work (£0.070m) and further capitalisation of salaries (£0.100m) and consultancy costs for the warmer homes programme (£0.078m). |
| 0 | Travellers | This service is now forecast to break even |
| Libraries | | |
| 83 | | There is a projected shortfall in fees and charges and other income sources. |
| (24) | | Other minor variances |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Communities, Equalities & Third Sector | | |
| (70) | CETS Staffing | Net underspend against staffing, as a result of vacancies across the service. |
| (62) | CETS Initiatives | A detailed review of what is funded from the initiatives budget across Communities and Equalities has identified £0.062m of funding that can be released to help the corporate TBM position. |
| (5) | | Minor variances. |
| Safer Communities | | |
| (144) | Safer Communities | The underspend is primarily against staffing as a result of vacancies across the service and a review of non-pay budgets where spend can be stopped. |

## Governance, People & Resources

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 13 | Chief Executive & Monitoring Officer | 561 | 569 | 8 | 1.4% | 0 | 0 | 0 |
| (37) | Policy & Communications | 1,503 | 1,462 | (41) | -2.7% | 76 | 28 | 48 |
| 158 | Legal & Democratic Services | 3,296 | 3,518 | 222 | 6.7% | 202 | 83 | 119 |
| 68 | Elections & Land Charges | 57 | 125 | 68 | 119.3% | 34 | 34 | 0 |
| (115) | Customer Modernisation & Data | 1,871 | 1,671 | (200) | -10.7% | 33 | 33 | 0 |
| (211) | Finance | 1,979 | 1,853 | (126) | -6.4% | 150 | 150 | 0 |
| 0 | Procurement (Mobo) | (37) | (37) | 0 | 0.0% | 0 | 0 | 0 |
| (17) | HR & Organisational Development | 4,332 | 4,117 | (215) | -5.0% | 0 | 0 | 0 |
| (300) | IT&D (Mobo) | 9,717 | 9,317 | (400) | -4.1% | 0 | 0 | 0 |
| 146 | Welfare Revenue & Business Support | 8,611 | 8,757 | 146 | 1.7% | 0 | 0 | 0 |
| 1,536 | Orbis Services (IT&D, Procurement, Audit) | 1,255 | 2,695 | 1,440 | 114.7% | 0 | 0 | 0 |
| 1,241 | Total Governance, People & Resources | 33,145 | 34,047 | 902 | 2.7% | 495 | 328 | 167 |

**Mobo** = Specific budget items held by Orbis but **M**anaged **o**n **b**ehalf **o**f the relevant partner i.e. they are sovereign, non-partnership budgets. Under or overspends on Mobo budgets fall directly to the relevant partner whereas any budget variance on 'Orbis Services' is shared in accordance with the Inter-Authority Agreement (IAA).

### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Chief Executive Monitoring Office | | |
| 8 | Monitoring Officer budget | There are expected staffing pressures this year of £0.008m. |
| Policy & Communications | | |
| (41) | Communications | At Month 9 the service is predicting an underspend this year of £0.041m. This relates to the Communications service pressures around restructuring costs (£0.118m) being more |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | than offset by recharges and other underspends within the Communications Team (£0.159m). |
| Legal & Democratic Services | | |
| 274 | Legal Services | In Legal Services there is an increased pressure of £0.274m to reflect anticipated Lawyer market supplement costs of £0.099m to the end of 2022/23 to address severe recruitment & retention issues across the service. There are also pressures relating to an expected loss of income relating to support of the LEP (£0.060m), a shortfall in funding for FCL related work on SEN tribunals/Education work (£0.040m) and a further pressure of £0.075 from a combination of unplanned locum expenditure due to earlier recruitment and retention challenges in the Service and a downward revision of property and planning related income. |
| (52) | Democratic Services | In Democratic Services there is a forecast net underspend of £0.052m. Underspends against Ward budgets of £0.050m are anticipated, and pressures of £0.035m relating to compulsory regrading costs of Political Assistants, which was a requirement of legislation. Elsewhere in the service there is a net underspend of £0.037m mostly arising from vacancies and one-off income. |
| Elections & Land Charges | | |
| 68 | Elections & Land Charges | The forecast at Month 9 is a pressure of £0.068m. There are income pressures in the Local Land Charges service of £0.098m due to a lack of confidence in the market. In Elections, there are vacancy underspends of £0.082m offset by pressures of £0.052m relating to government funding shortfall, equipment replacement costs and local by-election costs. |
| Customer Modernisation & Data | | |
| (200) | Customers and Performance | A further review of the budgets this month has led to the forecast of an increased underspend of £0.200m relating to vacancy management. |
| Finance (Mobo) | | |
| (126) | Finance | The service is projecting an underspend of £0.126m relating to vacancy management. |
| HR & Organisational Development (Mobo) | | |
| (215) | Human Resources | The service is declaring a £0.215m underspend at Month 9. Comprised of a £0.075m underspend in the Health and Safety service achieved through restructure and vacancy management. £0.075m underspend in L&D achieved by imposing spending controls stopping training in the short term. £0.090m underspend in Reward, Policy Projects and Advisory Services achieved through restructure and vacancy management as well as recruitment income. Imposing strict financial controls has been problematic and continues to have a significant impact on all HROD teams' capacity. The service will need to be |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | appropriately resourced in the future to ensure it can deliver the organisational change and assurance work needed for the future. There is a £0.025m pressure relating to unfunded extra provision for union facilities time and accommodation. Pay team funding of £0.120m funding ends in March 2024 and will leave a legacy salaries shortfall. Going forward, any underspends in Workforce Development (grant funding relating to social work service provision) and Our People Promise funding will need to be carried forward to support provision next year. |
| IT&D (Mobo) | | |
| (400) | IT&D | Following a further review of salaries and contracts this month, the forecast underspend has increased to £0.400m. This is a result of vacancy management, detailed work to review budgets and identifying opportunities to reduce expenditure. This includes drawing down some funds from revenue support reserve to offset the overspend in Microsoft licencing costs rather than this overspend being supported by salaries underspends. There are also still some uncertainties with contract costs as new systems are installed, data services are migrated to the new South East Grid and paper records are moved to a new Supplier. There has also been a requirement for further consultancy with 31Ten for the IT&D investment programme. |
| Welfare Revenue & Business Support | | |
| 56 | Staffing Costs | The salary budget including agency, overtime and remote processing costs after allowing for known various one-off income funding streams is forecast to overspend by £0.056m. |
| 57 | Council Tax S13A carers relief discount | Council tax carers relief awarded above the budgeted figure. |
| 33 | Court Costs income | Forecast to be under by £0.285m however in the current year the council has a one-off backdated payment for court costs from the HMCTS of £0.252m resulting in a net shortfall projection this year of £0.033m. |
| Contribution to Orbis | | |
| 1,440 | contribution to Orbis | There is an expected pressure of £1.440m, an improvement of £0.096m on month 7. This relates to a revision of expected contributions from Orbis Partners and a squaring off of shortfalls from disaggregated services including Business Operations (now part of WRBS), Finance, and HR, as well as the rebalancing of IT&D budgets between those held by BHCC (Mobo budgets) and those remaining with the Orbis Services budget. Overall, BHCC's contribution to the Partnership increased by £0.879m plus inflation.<br>In the current financial year, due to the pattern of IT spend in the Orbis Partnership, BHCC's share of an expected Orbis Partnership underspend of £0.177m is actually an |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| | | overspend of £0.018m due to the differing contribution ratios (ACRs) of the services. However, with the expected continuation of the underspending trend, the assumption is on-target for BHCC. |

## Corporately-held Budgets

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 110 | Bulk Insurance Premia | 3,352 | 3,645 | 293 | 8.7% | 0 | 0 | 0 |
| (1,538) | Capital Financing Costs | 7,846 | 5,405 | (2,441) | -31.1% | 0 | 0 | 0 |
| 0 | Levies & Precepts | 219 | 219 | 0 | 0.0% | 0 | 0 | 0 |
| 0 | Unallocated Contingency & Risk Provisions | 793 | 410 | (383) | -48.3% | 0 | 0 | 0 |
| (79) | Unringfenced Grants | (49,047) | (49,126) | (79) | -0.2% | 0 | 0 | 0 |
| 761 | Housing Benefit Subsidy | (751) | 10 | 761 | 101.3% | 0 | 0 | 0 |
| 4,073 | Other Corporate Items | (2,804) | 1,791 | 4,595 | 163.9% | 325 | 325 | 0 |
| 3,327 | Total Corporately-held Budgets | (40,392) | (37,646) | 2,746 | 6.8% | 325 | 325 | 0 |



### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| Bulk Insurance Premia | | |
| 110 | Commercial property building insurance | Premium credit adjustment to tenants leading to additional cost in 2022/23. |
| 183 | Settlement of claims | Increased projected cost for settling claims. |
| Capital Financing Costs | | |
| (2,001) | Financing Costs | Higher interest rates on balances and higher investment balances than anticipated. |
| (440) | Financing Costs | Review of assumptions regarding paying interest on certain reserves and balances. |
| Unallocated Contingency & Risk Provisions | | |
| (383) | Contingency | Release of brought forward and in-year contingency in line with spending controls for non-essential spend. |
| Unringfenced Grants | | |
| (13) | Extended Rights to Free Travel | Announced in June 2022 at £0.099m which is £0.013m higher than budgeted. |

| Key Variances £'000 | Service Area | Variance or Financial Recovery Measure Description |
|---|---|---|
| (66) | Pressure funding released | Only the Local reform community voice grant remains to be announced and historically is not confirmed until later in the year. Forecasting for this grant will be at the same level as 2021/22 which releases pressure funding. |
| Housing Benefit Subsidy | | |
| 761 | HB Subsidy | There is an estimated pressure of £0.761m. Of this £0.831m relates to the main subsidy budgets and is based on the mid-year estimate submitted to the DWP. Of this pressure, £0.550m relates to a particular benefit type for vulnerable tenants which is not fully subsidised. This is being investigated to fully understand the reasons for the growth in this area and an action plan is being developed to minimise future subsidy loss. There is also a pressure of £0.281m on the net recovery of overpayments and other areas. The surplus on the recovery of overpaid former council Tax Benefit is currently forecast at £0.070m. |
| Other Corporate Items | | |
| (251) | Corporate pension costs | Overpayment from 2021/22 of (£0.112m) and an in year variance of (£0.139m). |
| 7 | Death management | BHCC share of Sussex wide costs on mass fatalities work. |
| 250 | Academisation | Costs relating to compulsory academisation of Homewood House school where the council will be liable for the school's projected budget deficit at the point of transfer. |
| 5,067 | General Fund pay award | This reflects the employers' accepted pay award offer of a £1,925 fixed increase for all NJC salaries together with a 4.04% uplift of allowances and an additional day's leave. This is equivalent to a 6.3%increase compared with the 2% increase included in the budget for 2022/23. This pressure is after allowing for the £1.260m remaining one-off provision for pay from the 2021/22 outturn. |
| (406) | National Insurance - Social Care Levy | Saving resulting from removal of the National Insurance Social Care Levy from November 2022 to March 2023. |
| (72) | Funding for projects previously funded by COMF | Underspend on the £1.112m brought forward to cover project spend in 2022/23 relating to schemes previously funded by Covid grant (COMF). |

## Housing Revenue Account (HRA)

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % | 2022/23 Savings Proposed £'000 | Net Savings Achieved/ Anticipated £'000 | Net Savings At Risk £'000 |
|---|---|---|---|---|---|---|---|---|
| 605 | Capital Financing | 25,553 | 26,224 | 671 | 2.6% | 0 | 0 | 0 |
| 410 | Housing Management & Support | 4,620 | 4,949 | 329 | 7.1% | 0 | 0 | 0 |
| (129) | Housing Strategy & Supply | 1,446 | 1,293 | (153) | -10.6% | 0 | 0 | 0 |
| (229) | Repairs & Maintenance | 14,061 | 13,834 | (228) | -1.6% | 0 | 0 | 0 |
| (217) | Housing Investment & Asset Management | 2,649 | 2,397 | (252) | -9.5% | 0 | 0 | 0 |
| 732 | Tenancy Services | (48,329) | (47,402) | 927 | 1.9% | 0 | 0 | 0 |
| 1,173 | Total Housing Revenue Account | 0 | 1,295 | 1,295 | 0.0% | 0 | 0 | 0 |

### Explanation of Key Variances

| Key Variances £'000 | Subjective Area | Variance Description |
|---|---|---|
| Capital Financing | | |
| 671 | Capital Financing costs | £0.806m short term pressure in financing costs as a result of taking on PWLB borrowing earlier to take advantage of more favourable interest rates. Offset by an increase of £0.135m in interest received on cash balances. |
| Housing Management & Support | | |
| 24 | Employees | Forecast overspend on staffing costs relating to Homelessness £0.097m. Underspends against Transfer Incentive scheme (£0.035m), Minor variances (£0.037m). |
| 324 | Premises | Backdated rent increase in relation to the Housing Centre £0.107m.<br>Forecast overspend against responsive repairs and empty properties £0.222m, utility costs £0.019m and other underspends across the service of (£0.024m). |
| (108) | Supplies and Services | Transfer Incentive scheme (£0.095m). Other minor variances (£0.013m). |
| 38 | Support Services | Additional contribution to legal services in respect of disrepair claims. |
| 51 | Income | Overspend relating to rent loss due to a backlog of empty properties. A project group is in place to reduce the number void properties during the year. |
| Housing Strategy & Supply | | |

| Key Variances £'000 | Subjective Area | Variance Description |
|---|---|---|
| (187) | Employees | Forecast underspend against staffing and support service cost in delivery of new supply. |
| 31 | Supplies and Services | Minor variance |
| 3 | Other | Minor variance |
| Repairs & Maintenance | | |
| (605) | Employees | Additional staffing costs in respect of dealing with backlog works and the impact of the pay-award, compared to budget setting assumptions have been mitigated by a forecast underspend against the base salary budget due to number of staff vacancies. |
| 646 | Premises | Forecast overspend against the base budget for subcontractor costs. |
| 32 | Supplies and Services | Forecast overspend against the base budget for material costs. |
| (151) | Transport | There is a forecast underspend against vehicle maintenance costs and fuel. |
| (150) | Contribution from reserves | Financial risk relating to the post pandemic backlog of responsive repairs and empty property works was identified as a significant financial issue for 2022/23 and the HRA budget report set aside a total of £1.5m to ensure one-off funding was available during the year to cope with this pressure.<br><br>The assumption is that £0.150m of this reserve will be used to help offset the increased forecast against subcontractor spend since TBM07 and in recognition of the considerable challenges and financial instability within the subcontractor market from increased material and wages; leading to a loss of resource. Work continues to mitigate this and introduce alternative resources.<br><br>Budget setting assumptions for 2023/24 are that the earmarked reserve will be required during the year to fund the backlog works and the additional contractor and material spend in excess of typical business as usual budgets. |
| Housing Investment & Asset Management | | |
| (488) | Employees | An underspend due to change in the timescales for recruiting additional staff to support the new arrangements for planned and major works. |
| 373 | Supplies and Services | Pressure from disrepair claims of £0.225m, which by their nature are not possible to forecast easily. Instances and costs associated with each instance will be recorded separately within the HRA and the variance against budgets are regularly reviewed during the year.<br>There is also a forecast overspend against RTB/Leasehold legal costs and professional fees of approximately £0.100m , which is offset by the additional income referred to below.<br>Other variances across the service account for the balance of £0.048m. |

| Key Variances £'000 | Subjective Area | Variance Description |
|---|---|---|
| (7) | Transport | Minor variance |
| (130) | Income | Additional professional fee income in respect of Leasehold extension matters. |
| Tenancy Services | | |
| 270 | Employees | Forecast overspend against staffing budget. |
| 531 | Premises | £0.341m forecast overspend on utility costs.<br>£0.150m overspend in council tax costs in respect of the higher number of empty council dwellings awaiting repairs.<br>£0.051m additional grounds maintenance costs for first year of ash die back tree works.<br>£0.028m overspend on the costs of rubbish clearance.<br>(£0.058m) underspend against Business Rates.<br>£0.019m minor variances. |
| 232 | Supplies and Services | £0.170m overspend on the use of temporary accommodation for council housing tenants, linked to the current policy for Temporary Accommodation across the authority and in some part to the number of voids held in the HRA.<br>£0.043m overspend against cost of Carelink.<br>£0.032m overspend relating to the use of security guards to ensure the safety of residents at risk.<br>(£0.013m) underspend - other minor variances. |
| (132) | Income | Forecast overachievement in rental income due to new supply of affordable housing offset by an overspend in voids rent loss. |
| 26 | Other | Minor variances. |

## Dedicated Schools Grant (DSG)

### Revenue Budget Summary

| Forecast Variance Month 7 £'000 | Service | 2022/23 Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|
| 0 | Individual Schools Budget (ISB) | 130,701 | 130,701 | 0 | 0.0% |
| (328) | Early Years Block (excluding delegated to Schools) *(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the 15 hours free entitlement to early years education)* | 14,034 | 13,719 | (315) | -2.2% |
| 423 | High Needs Block | 34,341 | 34,676 | 335 | 1.0% |
| (1) | Exceptions and Growth Fund | 3,188 | 3,221 | 33 | 1.0% |
| 0 | Grant Income | (182,229) | (182,229) | 0 | 0.0% |
| 94 | Total Dedicated Schools Grant (DSG) | 35 | 88 | 53 | 151.4% |

### Explanation of Key Variances

| Key Variances £'000 | Service Area | Variance Description |
|---|---|---|
| Early Years Block (including delegated to Schools) | | |
| (346) | Early Years Free Entitlement Funding | Underspends anticipated on early years free entitlement budgets due to fewer children on the October 2022 early years census. |
| 31 | Other | Other small variances. |
| High Needs Block (excluding delegated to Schools) | | |
| 440 | Agency - Independent non-maintained special schools | Increase in specialist placements to independent non-maintained special schools. This is being driven by increases in demand and complexity of need where suitable local provision does not exist. Placements are mainly linked to autism and social emotional mental health categories of need. The budget is currently forecasting in excess of 122fte placements compared to 90fte placements at the comparative time last year. |
| (150) | Balance of high needs block funding currently unallocated | Balance of funding currently unallocated within the high needs block following government increases in funding in 2022-23. Required to offset pressures in wider high needs block. |

| Key Variances £'000 | Service Area | Variance Description |
|---|---|---|
| 87 | Mainstream school top-up funding | Mainstream school top-up budget has been significantly rebased in 2022/23 to reflect increase in demand and cost. At this stage it is forecast there will be a modest overspend against the rebased budget due to a surge in demand since the beginning of the new academic year. |
| (48) | Special Schools Support and Top-up funding | Budget rebased in 2022-23 to reflect increase in provision and additional support costs. At this stage it is forecast there will be an underspend against the rebased budget. |
| (134) | Post-16 High Needs Payments to External Providers | Transport costs for students in post 19 specialist provision now being assigned to home to school transport budget. |
| 91 | High needs pupils in other local authority maintained schools | Increase in placements to other LA schools due to lack of local specialist provision. |
| 105 | Children with Medical Needs | Significant increase in the number of pupils receiving education through tuition due to their medical needs. The number of children who were receiving tuition in February 2022 was 56 pupils. Currently (as January 23 and following the recent panel meeting) there is a caseload of 101 pupils. |
| (56) | Other | Other smaller compensating variances. |
| Exceptions and Growth Fund | | |
| 38 | Premature Retirement Costs | Ongoing annual commitment where regulations do not permit LAs to increase budget beyond historic levels. |
| (5) | Other | Other minor variances. |

## Savings Monitoring 2022/23

### General Fund

| Directorate | 2022/23 Savings Approved £'000 | Gross Savings Achieved / Anticipated £'000 | In-Year Pressures £'000 | Net Savings At Risk £'000 | Savings At Risk As % Of Net Budget £'000 |
|---|---|---|---|---|---|
| Families, Children & Learning | 2,674 | 2,637 | (1,781) | 1,818 | 1.7% |
| Health & Adult Social Care | 2,353 | 1,777 | (387) | 963 | 1.3% |
| Economy, Environment & Culture | 2,730 | 2,491 | (1,361) | 1,600 | 3.6% |
| Housing, Neighbourhoods & Communities | 1,932 | 1,932 | (180) | 180 | 0.7% |
| Governance, People & Resources | 495 | 328 | 0 | 167 | 0.5% |
| ORBIS | 0 | 0 | 0 | 0 | 0.0% |
| Corporate Budgets | 325 | 325 | 0 | 0 | 0.0% |
| **Total Directorate Savings** | **10,509** | **9,490** | **(3,709)** | **4,728** | **1.9%** |



### Housing Revenue Account

| Directorate | 2022/23 Savings Proposed £'000 | Savings Achieved £'000 | Savings Unachieved £'000 |
|---|---|---|---|
| Housing Revenue Account | 0 | 0 | 0 |
| **Total HRA Savings** | **0** | **0** | **0** |

**Explanation and Mitigation of At Risk Savings**

| Directorate<br>£'000 | Savings at Risk<br>£'000 | Explanation and potential mitigations for main savings at risk |
|---|---|---|
| Families, Children & Learning | 1,818 | The majority of the savings at risk relate to Children in Care (£1.100m) and Adults with Learning Disabilities (£0.679m). The Children in Care saving totalled £1.279m and this has been achieved. However, due to a lack of sufficiency of foster care placements and the increase in complexity of need for some children, resulting in a small number of extremely high cost placements, the savings achieved have been substantially impacted. Similarly in Adult Learning Disability services, the savings programme has delivered all of the planned actions and anticipated move-on's but the impact of the cost of living crisis and living wage increases resulted in significant fee uplift requests from providers, reducing the impact of the savings. |
| Health & Adult Social Care | 963 | Due to delays in implementation of savings strategy caused by pressures across the health and social care system and increasing unit costs (prices). |
| Economy, Environment & Culture | 1,600 | The vast majority of savings within the Directorate are for price increases and growth in income generating areas. Price increases have been applied, however the anticipated income has yet to be achieved in full as these areas are dependent on demand including tourism and visitor numbers. The most significant areas of shortfall are £0.605m for parking tariff increases, £0.689m for resident permit increases where demand has reduced, £0.070m reduction of agency budgets for CityClean, £0.057m for increased Development Planning fees & charges and reduction of maintenance budgets of £0.080m within Property. |
| Housing, Neighbourhoods & Communities | 180 | The service is working to reduce the numbers in TA and EA further through the homelessness Transformation Programme. Work is progressing well but there are concerns over the potential impact of the cost of living crisis and rental increases driven by interest rates and inflation. |
| Governance, People & Resources | 167 | Communications restructure saving of £0.048m not achieved. Income savings of £0.119m not achieved in Legal Services. |
| ORBIS | 0 | |
| Corporate Budgets | 0 | |
| **Total General Fund** | **4,728** | |
| Housing Revenue Account | 0 | |
| **Grand Total** | **4,728** | |

## Families, Children & Learning – Capital Budget Summary

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 0 | Director of Families, Children & Learning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Health, SEN & Disability Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Education & Skills | 29,218 | (11,608) | 0 | (7,328) | 10,282 | 10,282 | 0 | 0.0% |
| 0 | Schools | 2,162 | 0 | 0 | (1,850) | 312 | 312 | 0 | 0.0% |
| (35) | Children's Safeguarding & Care | 35 | 0 | 0 | 0 | 35 | 0 | (35) | -100.0% |
| 0 | Quality Assurance & Performance | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| (35) | Total Families, Children & Learning | 31,414 | (11,608) | 0 | (3,337) | 10,628 | 10,593 | (35) | -0.3% |



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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Education & Skills | | | |
| Reported at other committee | (7,812) | New Pupil Places | The Urgency Report of 2018 agreed the allocation of £15m funding for secondary schools. The majority of works at Hove Park, Patcham High and Varndean Schools have been completed. Further works have been undertaken at Dorothy Stringer and Blatchington Mill. Final costs for these works are awaited before proceeding with the balance of the schools' allocations. Design work at Longhill is currently progressing and with a view to complete procurement and carry out works over the summer of 2023.<br>A major SEND project of circa £4.0m was designed and procured for the Central Hub. As reported previously due to unforeseen circumstances this project has had to be put on hold while changes have been made to the management of the site and a contract for the scheme has now been awarded. Final design work is underway and the contractor will start on site by the end of January. Phased completion of the work is planned for the beginning of September and November 2023. |
| | | | |
| Reprofile | (4,684) | | |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | The budget is currently forecasting an outturn figure of £2.290m in 2022/23. As a result, a carry forward of £12.496m to meet ongoing commitments is required. £7.812m of this was detailed in the Education Capital Investment Report and is required in 2024/25. |
| Reported at other committee | (3,796) | High Needs Provision Capital | See Education Capital Report for 23/24. The 2022-23 allocation for Hugh Needs Provision will require £1.9m to support schemes at Connaught Road, Hill Park and Downs View School. The remainder will be profiled into 24/25 and will be reported at a later date. |
| Variation | 1,013 | Devolved Formula Capital Additional 2022-23 | Additional announcement of DFC from DfE announced in December 2022. Can be released to schools for funding to improve energy efficiency in 2022-23. |
| Slippage | (52) | Capital Maintenance 2019/20 | Slippage of less than £0.100m. |
| Reprofile | (1,098) | Capital Maintenance 2020/21 | Good progress has been made on a number of large projects. Contracts have been awarded for several projects this year which span two to three financial years. There are therefore outstanding commitments and associated fees to fund in future years.<br>The budget is currently forecasting an outturn figure of £1.5m in 2022/23. Therefore, a reprofile of £1.098m to 2023/24 is required. |
| Reprofile | (785) | Capital Maintenance 2021/22 | Good progress has been made on a number of large projects. Contracts have been awarded for several projects this year which span two to three financial years. Some are only taking place in the school holiday periods as they are disruptive to the operation of the school. Therefore, we have outstanding commitments and associated fees to fund in future years.<br>The budget is currently forecasting an outturn figure of £1.155m in 2022/23. Therefore, a reprofile of £0.785m to 2023/24 is required. |
| Reprofile | (1,722) | Capital Maintenance 2022/23 | The initial part of this year's Capital Maintenance Programme was successfully procured and undertaken up to the end of August 2022. Further works have been in design and procured since then. Some have started and others will start at Easter in the new financial year. Some will be completed over 18 months predominantly in school holiday periods.<br><br>The budget is currently forecasting an outturn figure of £2.900m in 2022/23. Therefore, a reprofile of £1.722m to 2023/24 is required to meet ongoing commitments. |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Schools | | | |
| Reprofile | (1,850) | Cardinal Newman 4G Pitch & Changing Rooms | The project has been delayed whilst further design and contract costs have been finalised. The project is to commence during the Easter break and a reprofile of the project is required into 2023/24. |
| Children's Safeguarding & Care | | | |
| Variance | (35) | Contact Supervision Centres | Variance of less than £0.100m. |

## Health & Adult Social Care – Capital Budget Summary

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 50 | Adult Social Care | 455 | 0 | 0 | 0 | 455 | 513 | 58 | 12.7% |
| 0 | Integrated Commissioning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | S75 Sussex Partnership Foundation Trust (SPFT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Public Health | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 50 | Total Health & Adult Social Care | 455 | 0 | 0 | 0 | 455 | 513 | 58 | 12.7% |

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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Adult Social Care | | | |
| Variance | 58 | Various Schemes | Variances of less than £0.100m across the following schemes:<br>£0.043m – Knoll House Resource Centre Supported Housing<br>£0.030m – Adaptations for the Disabled<br>£(0.015)m – Better Care Funding - Telecare |

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

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 0 | Transport | 33,651 | 0 | 0 | (14,167) | 19,484 | 19,484 | 0 | 0.0% |
| 0 | City Environmental Management | 12,751 | 0 | 0 | (4,372) | 8,379 | 8,379 | 0 | 0.0% |
| 7,887 | City Development & Regeneration | 22,268 | 0 | 0 | (2,285) | 19,983 | 19,983 | 0 | 0.0% |
| 0 | Culture, Tourism & Sport | 13,942 | 0 | 0 | (4,864) | 9,078 | 9,078 | 0 | 0.0% |
| 0 | Property | 9,160 | 0 | 0 | (4,212) | 4,947 | 4,947 | 0 | 0.0% |
| 7,887 | Total Economy, Environment & Culture | 91,770 | 0 | 0 | (29,900) | 61,870 | 61,870 | 0 | 0.0% |

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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Transport | | | |
| Slippage | (2,210) | Street Lighting Maintenance | The street lighting maintenance and replacement programme has been underway for a number of years and is an essential to meet the city's statutory requirements. The programme is to continue for a further three years until 2025/26 and has been reprofiled over that 3-year period. |
| Slippage | (514) | Emergency Active Travel Fund | Grant funded project through the DfT work has commenced on a number of the Council's priority sustainable travel routes and will be finalised in 2023/24. A reprofile of the remaining grant funded project will be required. |
| Slippage | (149) | School Streets | The budget will deliver the Council's priority school streets scheme. Contractors availability has hindered the completion of this project and some construction costs will straddle into 2023/ 24. |
| Slippage | (175) | Various Schemes | Slippage of less than £0.100m across the following schemes:<br>£(0.099)m - Covered Cycle Racks<br>£(0.053)m - Local Safety Schemes |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | £(0.023)m - Bus Shelters (non advertising sites) |
| Reprofile | (300) | Citywide Strategic Transport Model | Works have started to develop the City Transport Model which will support both the City Plan and the Liveable City scheme. Completion of the spend will be met fully by end of 2023/24. |
| Reprofile | (617) | SCAPE Carden AV & Norton Rd | Work will continue into 2023/24 and any unspent portion of the budget will be reported back to committee to support the Norton Road SuDs projects. |
| Reprofile | (750) | Concrete Road - Lifecycle Extension Programme | The Budget will be spent in full. Works are currently being planned and programmed for delivery in 2023/24 when the budget will be spent in full. |
| Reprofile | (900) | Seafront Heritage Lighting Renewal Programme | Stock assessment, delivery plans and costings continue to be worked on and will require a detailed business case with further funding to be assessed through the Local Transport Plan. Tenders for appropriate specialist contractors are required. It is anticipated that work will commence in 2023/24 and beyond and a reprofile of the budget into 23/24 is required. |
| Reprofile | (1,000) | Brighton Bikeshare Replacement Programme | Ringfenced revenue surplus share plus sponsor revenue to service capital loans for project. |
| Reprofile | (1,100) | Liveable Neighbourhoods - Hanover & Tarner | The Liveable Neighbourhoods scheme is funded through the Council's Carbon Neutral Fund and was allocated to this project in July 2022. Detailed work and designs are required and continue to be drawn up for the pilot scheme. The budget will be reprofiled into 2023/24. |
| Reprofile | (1,000) | Climate Assembly Action Fund Project | Reprofiled as part of the Capital Programme review exercise. Restricted spend in 2022/23 with projects forecast to increase significantly in 2023/24. |
| Reprofile | (1,200) | Active Emergency Travel Fund - Tranch 3 | Commitments have been made to the design plans costs. Work will now proceed to construction for a number of sustainable travel routes within the city which are projected to mainly fall within 2023/24. |
| Reprofile | (1,652) | Brighton Marina to River Adur Works | Construction is to commence in May 2023 and will run for three years. The profiled spend for 2022/23 will now be required in 2023/24 for the timetable start date. |
| Reprofile | (2,600) | Valley Gardens Phase 3 (LTP) | The Valley Gardens Phase 3 project is funded in part through the Local Growth Fund capital grant. Detail design works are continuing this financial year and expressions of interest for the procurement of contractors are also underway. Construction is expected |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | to commence early 2023/24 and completion post October 2024. A reprofile of the budget for construction purposes is required into 2023/24 and 2024/45, |
| City Environmental Management | | | |
| Variation | (330) | Stanmer Park Restoration HLF | Scheme finished. The surplus budget was funded through borrowing and will be released to support future revenue financing costs. |
| Variation | (45) | Various Schemes | Variations of less than £0.100m across the following schemes:<br>£(0.023)m - Preston Park Cycle Track<br>£(0.012)m - Whitehawk Sports Pitches<br>£(0.010)m - Electrical Vehicle for Waterhall |
| Reprofile | (100) | Pavilion and Mess Room Refurbishment Programme | Instructions to commence work have been issued on a couple of buildings with an estimated spend for 22/23 of £0.150m on the pavilions and messroom. The work is expected to commence end of February and into March 2023. |
| Reprofile | (130) | City Parks Diesel Reduction Programme | Reprofile as part of the Capital Budget Review Strategy and reprofiled into 2023/24. |
| Reprofile | (150) | Stanmer Park Offices | Reprofile as part of the Capital Budget Review Strategy and reprofiled into 2023/24. |
| Reprofile | (170) | Stanmer Park Road | Match funding of grant applied for with National Highways. Spend now likely to be in 2023/24 after the external grant bid confirmation has been received. |
| Reprofile | (468) | Parks and Open Spaces Investment | Parks Safety Audits have been completed and it is envisaged that work will commence in March 2022. The remainder of the budget for 22/23 will be reprofiled into 23/24 and future years budgeted spend has also been reprofiled across 2023/24, 2024/25 and 2025/26 for the complete programme. |
| Reprofile | (470) | Stanmer Depot Relocation | The work is programmed to commence during April 2023 and any retention is likely to be in 2023/24. |
| Reprofile | (529) | City Environmental Management Services IT systems | Project is underway but the procurement has delayed the start of the contract which will now mainly be in 2023/24. |
| Reprofile | (723) | Public Conveniences | The refurbishment of four public toilet sites started in November 2022. These sites are Station Road (Portslade), Kings Esplanade, Daltons and Saltdean Undercliff. Park Road (Rottingdean) is also being refurbished, with the majority of the funding from Rottingdean Parish Council. There is a need to reprofile as the sites originally selected for Phase 1 were changed for operational reasons as well as to ensure a geographical spread of sites across the city |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Reprofile | (800) | Woodland Creation Scheme | Project remains a priority and has commenced. Budget is to be profiled over the years 2023/24 to 2025/26. |
| Reprofile | (458) | Various Schemes | Reprofiles of less than £0.100m across the following schemes:<br>£(0.009)m - Rewilding Residents of Brighton & Hove<br>£(0.016)m - Improving WEEE recycling<br>£(0.025)m - Downland Dew Pond Creation<br>£(0.027)m - Decompaction Machine for Grassed Areas<br>£(0.031)m - EV Charging Points for Cityparks Vehicles<br>£(0.040)m - City Clean Modernisation Scheme<br>£(0.050)m - East Brighton Park Improvement<br>£(0.050)m - Food Drainage Systems for Parks Tree Pits<br>£(0.059)m - Downland Initiative Project<br>£(0.075)m - Sheepcote Valley Household Waste<br>£(0.076)m - Stanmer Pond restoration and access improvement |
| City Development & Regeneration | | | |
| Slippage | (68) | Redevelopment of King Alfred Swimming Pool | Slippage of less than £0.100m. |
| Reprofile | (217) | Improvements to New England House | Expenditure has been on hold due to delay in commencing fire survey work, while associated contractual issues have been negotiated. The situation has recently been resolved and survey work and design work that follows are now back on course. The budget will need to be reprofiled forward to reflects this delay in the programme. |
| Reprofile | (2,000) | Black Rock Enabling Works | Works have progressed well during this financial year and will continue into the early part of next year. The project spend will continue into 2023/24 and is expected to complete mid 2023. |
| Culture, Tourism & Sport | | | |
| Variation | 743 | Brighton Museum & Art Gallery Roof Works | Arts Council England (ACE) grant of £1.463m has now been awarded to the project. This grant will increase the Council's original projected budget by a further £0.743m and reduce the need for borrowing to be undertaken. |
| Variation | (157) | Various Schemes | Variations of less than £0.100m across the following schemes:<br>£(0.034)m - Portslade 3G Pitch<br>£(0.040)m - Sports Facilities Modernisation Programme<br>£0.023m - Sports Facilities LED Lighting Scheme |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | The following projects have been stopped as part of the review of the capital programme to release funding:<br><br>£(0.040)m - Gateway welcome at Hove station – Funding released<br>£(0.050)m - Gateway to Brighton (Patcham Roundabout) – Funding released<br>£(0.036)m - Volks Railway Signage Siding & Shelter – funding released<br>£(0.020)m - Gateway welcome at Portslade station – funding release |
| Slippage | (400) | Withdean Sports Soft Play Development | Project delayed initially due to Covid. Currently working with other BHCC departments (Legal/Procurement) to agree best way forward regarding procurement and potential framework agreement to deliver the works. |
| Reprofile | (1,964) | Brighton Museum & Art Gallery Roof Works | The award of the ACE grant (see above) will now increase the budget for the works to £1.964m and works are expected to commence in 2023/23 following procurement and final costings being completed. |
| Reprofile | (762) | Prince Regent - Replace Mechanical Equip | Due to tendered works being over budget and unaffordable the schedule of works is being reviewed. Sectional/phased works are being planned and re costed along with updated plant assessments. |
| Reprofile | (700) | Saltdean Lido replacement library | Reprofile as part of the Capital Budget Review Strategy. The spend will commence in 2023/24 following completion of the Saltdean Lido restoration scheme. |
| Reprofile | (650) | King Alfred Main Pool Reinforcement | Some concrete remedial works undertaken. Mechanical and Engineer consultants recently appointed to progress with design for new AHU system required by future concrete infill of existing vent duct. |
| Reprofile | (500) | Withdean Sports Complex - Small sided 3G Development | Works cannot proceed until planning permission has been granted. Main construction works unlikely to start until after April 2023. |
| Reprofile | (254) | Sports Facilities LED Lighting Scheme | Variation of less than £0.100m. Reprofile £0.254m - Programming of remaining works pushed back to Spring/Summer 2023/24 due to Educational requirements. Sites/facilities are required for curriculum needs prior to June and cannot close for works until afterwards. |
| Reprofile | (100) | Seafront Railings Upgrade | Paint trial works programmed for 2023/24 and top rail replacement planned for 2023/24. |
| Reprofile | (80) | Seafront Shelters Upgrade and Refurb | Reprofile of less than £0.100m. |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Property | | | |
| Variation | 361 | Royal Pavilion External Redecorations. | Contribution from capital reserves as part of the Royal Pavilion agreed business plan. To be reimbursed from future Planned Maintenance Budget contributions. |
| Variation | 150 | Portslade Sixth Form Conversion | Variation from the Moulescoomb Hub budget's contingency to meet the final costs associated with the Portslade Sixth Form Conversion as part of the Workstyles 4 Moulsecoomb Housing and Hub capital scheme |
| Variation | (100) | Schools Energy Efficiency Reinvestment fund | Schools received grant money from the DFE in December 2022 for Energy Efficiency Projects. There are unlikely to be enough business cases to use the full project allocation and it is estimated that only £0.400m will be required. |
| Variation | (150) | Workstyles 4 Moulsecoomb Hub & Housing | Variation of £0150m budget that formed part of the Mouslecoomb Hub and Housing contingency budget toward the completion of the Portslade Sixth Form Conversion scheme. |
| Variation | (310) | Solar Panels Corporate Buildings | No longer required as part of the Capital Budget Review exercise. Funded through borrowing which will now be released to support revenue pressures. |
| Variation | (158) | Various Schemes | Variations of less than £0.100m across the following schemes:<br>£0.053m - External Improvement Works<br>£0.029m - Window Replacement Cottages Property Portfolio<br>£0.015m - Weald Avenue Allotments Water Main<br>£(0.019)m - Fire Safety Improvements<br>£(0.022)m - Passenger Lift H&S Works – Electrical<br>£(0.028)m - Mechanical Boiler Replacement – Mechanical<br>£(0.035)m - Hove Library Phase 1 Roof Repairs & Ext Decorations<br>£(0.060)m - Westdene Ramp<br>£(0.090m - Replacement Lift at New England House |
| Slippage | (100) | Various Schemes | Slippage of less than £0.100m across the following schemes:<br>£(0.060)m - Statutory DDA Access Works Fund<br>£(0.040)m - Madeira Terrace Structural Repair & Resurface |
| Reprofile | (1,500) | Carbon Reduction Measures to Operational Buildings | Reprofiled as part of the Capital Programme Review exercise with £1.0m profiled into 2023/24 and £0.5m into 2024/25 when schemes to support carbon reduction measures in the Council's operational buildings have been reviewed and costed. |
| Reprofile | (700) | Workstyles Phase 4 | The Workstyles budget supports a number of projects including the corporate modernisation programme that will deliver essential savings in terms of office rationalisation. This budget will support the team for the duration of the workstyles project |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | and in particular delivery of some of the major projects and office review strategy. The budget will be required for 23/24 and beyond in supporting the modernisation programme. |
| Reprofile | (650) | Workstyles 4 Moulsecoomb Hub & Housing | Work on the Moulsecoomb Hub is expected to commence in 2023/24 and this budget supports the costs associated with the delivery of the project. The business case will be brough back to this committee with details of the costs and the services provided at the Hub. |
| Reprofile | (400) | Schools Energy Efficiency Reinvestment fund | Schools Received grant money from DFE in December 22 for Energy Efficiency Projects. Business cases from schools have been received and work will commence in 2023/24. |
| Reprofile | (206) | King Alfred Cathodic Protection System Repairs | Works to the King Alfred Leisure Centre (KALC) are being undertaken in phases for which the concrete for the plenum chamber is being funded from the budget that has been allocated for the KALC main pool reinforcement. The main works to the heating duct and new poolside ventilation system will now be undertaken in 2023/24 instead. |
| Reprofile | (200) | BTH – Planned Maintenance Budget Contribution to Refurbishment | This funding is to be used to make improvements to the fire precaution arrangements within the building. Works have been tendered and some will begin in 2022/23 with further essential improvement works to take place in 2023/24. |
| Reprofile | (190) | Decarbonised Heat Pilots/Heat Pumps | Due to go to procurement in this financial year with budget likely to meet full allocation. Budget will all be reprofiled into 2023/24. |
| Reprofile | (60) | Planned Maintenance for Council Leisure Buildings | To be used to fund essential replacement Air Handling Units at the Prince Regent Leisure Centre that will now be undertaken in 2023/24. |

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

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 0 | Housing General Fund | 6,076 | 0 | 80 | (680) | 5,476 | 5,336 | (140) | -2.6% |
| 0 | Libraries | 250 | 0 | 0 | (250) | 0 | 0 | 0 | 0.0% |
| 0 | Communities, Equalities & Third Sector | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Safer Communities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Total Housing, Neighbourhoods & Communities | 6,326 | 0 | 80 | (930) | 5,476 | 5,336 | (140) | -2.6% |

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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Housing General Fund | | | |
| Variation | 400 | Disabled Facilities Grants | Grant funding confirmed with higher than estimated grant available for scheme. |
| Variation | (340) | LDV - On-Going Costs | Variation of budget due to expected lower expenditure in year. Funded from in year contributions. |
| Reprofile | (740) | Warm Safe Homes Grant | Reprofiled spend of £0.360m to 2023/24 and £0.380m to 2024/25 to meet expected demand. |
| Variance | (140) | BCF - Disabled Facilities Grants | Underspend on works completed in year due to capacity issues. Will need to be carried forward to 2023/24. |
| Libraries | | | |
| Reprofile | (250) | Libraries Self-Service Renewal | Contract due to go out to tender in February 2023 hence reprofile budget to 2023/24. |

## Housing Revenue Account (HRA) – Capital Budget Summary

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 1,737 | City Development & Regeneration | 7,663 | 0 | 0 | (1,016) | 6,647 | 8,666 | 2,019 | 30.4% |
| (609) | Housing Revenue Account | 79,798 | 0 | 0 | (5,236) | 74,562 | 71,773 | (2,789) | -3.7% |
| 1,128 | Total Housing Revenue Account | 87,460 | 0 | 0 | (6,252) | 81,208 | 80,438 | (770) | -0.9% |

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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| City Development & Regeneration | | | |
| Variation | 53 | Victoria Road | Funding received from Solarise to part fund the cost of solar PV panels at this project which will fund the increase in budget in full. |
| Reprofile | (359) | Design Competition | Construction was due to commence in January 2023. However there have been delays in signing the contract with the selected contractor, due to the challenging market and procurement issues that needed to be resolved. In addition to this Frederick Street is still awaiting Highways approval for the construction logistic plan and hoarding licence which involves the suspension of disabled parking bays in Frederick St, requiring its own resident consultation, and relocation of on-street bins by City Clean. Costs will be incurred during 2023/24 and it is still forecast that the Frederick Street and Rotherfield crescent will be met within the overall budget approval given. |
| Reprofile | (681) | Moulsecoomb Hub - Housing | The majority of costs this financial year relates to the Property & Design fees charged to new developments, as a result of work still being undertaken on developing the Agreed Maximum Price (AMP) a retention of these charges is being held back until costs have been formally agreed, these will be charged during 2023/24. All forecast costs are expected to remain within the budget envelope approved to bring this project up to RIBA stage 4 design. |
| Reprofile | (29) | Windlesham Close | Reprofile of less than £0.100m. |
| Variance | 2,111 | | The overspend of £2.111m on the original approved budget, relates to the total project costs for both the Sports Pavilion and Housing schemes. 60% of the overspend is |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | attributable to overruns in the construction costs above the Agreed Maximum Price for both the Sports Pavilion and Housing Scheme. Both schemes have been constructed during a time of great uncertainty as a result of Brexit, the Pandemic and the war in the Ukraine, which is having a considerable impact on the UK economy and the construction market. This, together with the tightening up of Fire Safety Regulations post Grenfell, has significantly contributed to the uplift in project costs. The remaining 40% of the overspend is attributable to the extra professional fees associated with the detailed design stages of the Housing scheme. The scheme has required greater design coordination from the Lead Architect and input from specialist designers than was originally anticipated. A summary of Lessons Learnt on the project has been shared with the Housing Supply Programme and Members Boards as well as the council's Strategic Construction Partnership with Morgan Sindall. |
| Variance | (92) | Various Schemes | Variances of less than £0.100m across the following schemes:<br>£(0.088)m - Gladstone Court<br>£(0.004)m - Buckley Close |
| Housing Revenue Account | | | |
| Variation | 2,130 | Housing First | A third round for grant funding has been approved for the purchase of another 10 homes under this programme, equating to £0.600m. Revenue grant has also been received to fund on-going running costs to support these tenants. For the capital budget the remaining £1.530m will be funded from HRA borrowing which is in line with previous purchases made under this programme. |
| Reprofile | (160) | City-Wide Loft Conv & Ext Project | A change in spend profile against a new build property, owing to weather conditions. |
| Reprofile | (5,207) | Home Purchase Scheme | The budget will not be fully spent this year due to the number of completions for the home purchase scheme not reaching the target number. This is unfortunately due to less properties becoming available to assess and purchase over the year. However, it is anticipated that additional commitments will be made during quarter 4 with the completions for these properties now due to take place in 2023/24. |
| Reprofile | (795) | Extended Home Purchase Scheme | Following approval at November 2022 Housing Committee and December 2022 Policy & Resources Committee, further due diligence is being undertaken on the completion of the small stock transfer at Charles Kingston Gardens. It is now expected for this transfer to take place in April 2023 and as such the budget needs to be reprofiled to match this timeline. |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Reprofile | (1,275) | Housing First | The RSAP project is on track to deliver against DLUC milestones with a number of purchases due to be made in 23/24. It is also anticipated that there will be an underspend in the budget due to the cost of individual properties differing. The final outturn will not be known until the last purchase is made. |
| Reprofile | 71 | Palace Place redevelopment | Reprofile of less than £0.100m. |
| Variance | (650) | HRA Adaptations | The underspend is due to several variables, mainly planning delays and contractor capacity (high demand for builders). |
| Variance | (649) | Kitchens | There has been a significant underperformance by our planned works contractor for Kitchen and Bathroom replacements which has resulted in an underspend. To address this performance issue going forward, approval has been given by Housing Committee (16th Nov) to procure up to two further contractors for this work stream. Procurement is likely to take 3 months so it is unlikely that there will be a significant change in spend on this budget until next financial year. Work continues with the current contractor on improving. |
| Variance | (300) | Windows | Consultants have been appointed to undertake the drawings and specifications for timber windows programme, these will be provided in batches and when received will be tendered through our Lot 2 framework. |
| Variance | (250) | Fire Safety | An underspend is forecast due to the revised timescales in staff recruitment and the impact on both the commencement of the additional resource requirements and addressing of the contractor requirements. |
| Variance | (225) | Doors | A change in the door supplier used by our Contractor for these works and the need to re-survey properties has led to a reduced spend for this financial year. |
| Variance | (200) | Main Entrance Doors | Due to manufacturing costs increasing steadily over the last year we are working on a revised procurement timeline to use an existing framework with another provider. It is hoped that the contract will be in place in the next couple of months. |
| Variance | (150) | Communal Fire Alarms | Resourcing gap and the lack of a contractor has led to a reduced spend this financial year. |
| Variance | 135 | Domestic Rewire | Planned electrical works for domestic re wires and common way works is progressing well and it is anticipated that there will be an increased spend in this area due to inflation and the impact of the testing program, resulting in more domestic re wires than in previous years. |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Variance | 140 | Empty Properties | An overspend is forecast, due to the nature of works required on several of our empty properties. |
| Variance | (640) | Various Schemes | Variances of less than £0.100m across the following schemes:<br>£(0.100)m - Environmental Improvements<br>£(0.100)m - Door Entry Systems & CCTV<br>£(0.100)m - Feasibility and Design - P&I<br>£(0.100)m - External Decorations & Repairs<br>£(0.090)m - Car Parks & Garages<br>£(0.080)m - Solar PV City-Wide<br>£(0.062)m - Bathrooms<br>£(0.053)m - Internal Decorations & Repairs<br>£(0.050)m - Minor Capital Works<br>£(0.050)m - Communal Rewire<br>£(0.045)m - Water Tanks<br>£(0.026)m - Next Steps Accommodation Program<br>£(0.020)m - Lightning Protection<br>£(0.020)m - HRA Owned Playgrounds Refurbishment<br>£(0.015)m - Upgrading Residential CCTV Systems<br>£0.006m - Oxford Street<br>£0.010m - Fencing<br>£0.075m - Ventilation<br>£0.080m - Condensation & Damp Works<br>£0.100m - Communal Boilers |

## Governance, People & Resources - Capital Budget Summary

| Forecast Variance Month 7 £'000 | Unit | Reported Budget Month 7 £'000 | Reported at Other Committees £'000 | New Schemes £'000 | Variations, Slippages & Reprofiles £'000 | Reported Budget Month 9 £'000 | Forecast Outturn Month 9 £'000 | Forecast Variance Month 9 £'000 | Forecast Variance Month 9 % |
|---|---|---|---|---|---|---|---|---|---|
| 0 | Chief Executive Monitoring Office | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Policy & Communications | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Legal & Democratic Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Life Events | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Customer Modernisation & Data | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Finance | 311 | 0 | 0 | (161) | 150 | 150 | 0 | 0.0% |
| 0 | Procurement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | HR & Organisational Development | 190 | 0 | 0 | 0 | 190 | 190 | 0 | 0.0% |
| 0 | IT & D | 3,075 | 0 | 0 | (1,358) | 1,717 | 1,602 | (115) | -6.7% |
| 0 | Welfare Revenue & Business Support | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Housing Benefit Subsidy | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Contribution to Orbis | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% |
| 0 | Total Governance, People & Resources | 3,576 | 0 | 0 | (1,519) | 2,057 | 1,942 | (115) | -5.6% |



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

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| Finance | | | |
| Reprofile | (161) | Enterprise Resource Planning Programme | A reprofile is required into 2023/24 for the remainder of the project set up costs due to an inability to recruit posts in year. |
| IT&D | | | |
| Variation | (120) | IT Equipment - Future Ways of Working | Scheme finished with resources to be released back to fund the wider capital programme. |
| Reprofile | (1,238) | Wide Area Network The Link | The installation of new network services to BHCC sites (purchased from MLL Telecom under the SEG Framework) is expected to be completed during the period March-September 2023. The work is dependent on core infrastructure services being delivered first, and this is not anticipated to complete until March. Based on this, it is expected that |

| Detail Type | Amount £'000 | Project | Description |
|---|---|---|---|
| | | | the majority of BHCC site installations will not be undertaken and invoiced for until the 2023/24 financial year, but some budget should be retained in 2022/23 to allow for any services that may go live within March. |
| Variance | (115) | IT Equipment - Future Ways of Working | Scheme finished with funding to be released back to corporate funds. |

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

**New schemes and Future Years Variations to be added to the Capital Programme for 2022/23 to be approved**

| New Capital Project Approval Request | |
|---|---|
| **Directorate:** | Housing Neighbourhoods & Communities |
| **Unit:** | Housing General Fund |
| **Project Title:** | Brighton & Hove Warmer Homes Investment Fund |
| **Total Project Cost (All Years) £:** | £7.200m |

| **Purpose, Benefits & Risks:** |
|---|
| Brighton and Hove warmer homes investment capital fund provides grants for insulation and other carbon saving investments for private sector Housing in the City. AECOM Consultancy support has been commissioned to research is similar schemes elsewhere, carry out a baseline assessment of property types and energy performance in Brighton & Hove to develop a targeted scheme and options around delivery models. |

| **Capital Expenditure Profile (£'000):** | | | | | | |
|---|---|---|---|---|---|---|
| **Funding Source (see guidance below)** | **2022/23** | **2023/24** | **2024/25** | **2025/26** | **2026/27** | **Total All Years** |
| Capital Borrowing | 80 | 1,120 | 2,500 | 2,500 | 1,000 | 7,200 |
| **Total Estimated Costs & Fees** | **80** | **1,120** | **2,500** | **2,500** | **1,000** | **7,200** |

| **Financial Implications:** |
|---|
| Budget Council February 2020 agreed a budget of £2.600m towards a Brighton and Hove warmer homes investment capital fund . Budget Council February 2021 agreed to allocate £0.200m in recurrent funding from 2021/22 to the financing costs budget to fund a further £2.600m capital resources through borrowing towards a Brighton and Hove Warmer Homes Investment Capital Fund, giving a total of £5.200m for Warmer Homes. A further £3m was agreed in 22/23 budget setting for 23/24. £1.0m has already been approved and released to support the Warm Safe Homes Grant capital scheme, leaving £7.200m for this scheme.<br>The scheme is funded through council borrowing with the financing costs of the debt included in the councils corporate financing costs budget, approved at various Budget councils in February 2020, 2021 and 2022. |

# Brighton and Hove City Council

**POLICY & RESOURCES COMMITTEE/ BUDGET COUNCIL**

**Agenda Item 124**

**Subject:** **Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy**

**Date of Meeting:** **18 January 2023 Housing Committee**
**9 February 2023 Policy & Resources Committee**
**23 February 2023 Budget Council**


**Contact Officer:** Name: **Shaun Hughes** **Tel:** **01273 290569**
E-mail: shaun.hughes@brighton-hove.gov.uk


**Wards Affected:** **All Wards**

**FOR GENERAL RELEASE**

60.8 **RESOLVED: That the Housing Committee:**

2.1 Approves a rent increase of up to 7% in line with government legislation as detailed in paragraph 4.6 of the report as amended.

2.2 Approves the service charges and fees as detailed in Appendix 2 to the report as amended.

2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.

2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

**That Housing Committee approves and recommends to Policy & Resources Committee:**

2.5 That the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval as amended.

2.6 Approve a capital programme of £57.791m for 2023/24 be agreed and the 5-year programme as set out in Appendix 3 as amended to the report be noted, and recommended to Full Council for approval; and

**That Full Council:**

2.7 Approves the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report as amended.

2.8 Approve a capital programme of £57.791m for 2023/24 and notes the 5-year programme as set out in Appendix 3 as amended to the report.

**BRIGHTON & HOVE CITY COUNCIL**

**HOUSING COMMITTEE**

**4.00pm 18 January 2023**

**MINUTES**

**Present**: Councillors: Gibson (Joint Chair), Hugh-Jones (Joint Chair), Williams (Opposition Spokesperson), Fowler, Meadows, Osborne, Phillips and Powell.

**Substitutes:** Councillor Barnett for Councillor Mears and Councillor Grimshaw for Councillor Mcintosh.

**Apologies:** Councillors Mears and Mcintosh

**PART ONE**

## Item 60: Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy

60.1 The Assistant Director Housing Management introduced the report to the committee.

Answers to Committee Member Questions

60.2 Councillor Grimshaw was informed by the Chair that the amendment sought to spread costs of service charges. The Assistant Director Housing Management stated that residents would be supported, including those above the Universal Credit threshold.

60.3 Councillor Williams was informed by the Assistant Director Housing Management that travellers on pitches would receive support.

60.4 Councillor Meadows was informed by the Chair that it was understood that the HRA fund was not a general fund and budget review meetings were ongoing, there will be a saving on field officers removal and rent collection enforcement was ongoing. The Coldean and Belgrave joint venture would deliver homes at the lowest rents ever achieved, with half to the council and half to Hyde Homes. The Assistant Director Housing Management noted that the apprenticeships were ongoing as were the installation of access points. The council are looking at damp and condensation in council homes following the recent Rochdale case. The Principal Accountant noted that the service charges would increase as a result of the utilities increase, with the budget increasing to help tenants with the cost-of-living. The Assistant Director Housing Management stated they would supply the councillor with noise pollution figures.

60.5 Councillor Gibson introduced the amendment, which was seconded by Councillor Williams. Councillor Meadows did not support the amendment.

Vote

60.6 A vote was taken, and by 8 to 1 the committee agreed to accept the amendment. (Councillor Barnett left the meeting and took no part in the vote or decision making process).

Vote

60.7 A vote was taken, and by 8 to 1 the committee agreed the recommendations as amended. (Councillor Barnett left the meeting and took no part in the vote or decision making process).

60.8 **RESOLVED: That the Housing Committee:**

2.1 Approves a rent increase of up to 7% in line with government legislation as detailed in paragraph 4.6 of the report as amended.

2.2 Approves the service charges and fees as detailed in Appendix 2 to the report as amended.

2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.

2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

**That Housing Committee approves and recommends to Policy & Resources Committee:**

2.5 That the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval as amended.

2.6 Approve a capital programme of £57.791m for 2023/24 be agreed and the 5-year programme as set out in Appendix 3 as amended to the report be noted, and recommended to Full Council for approval; and

**That Full Council:**

2.7 Approves the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report as amended.

2.8 Approve a capital programme of £57.791m for 2023/24 and notes the 5-year programme as set out in Appendix 3 as amended to the report.

**Implications of amendments agreed at January 18th Housing Committee – Agenda Item, 60 Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy**

Member decisions made at the January 18th Housing Committee to the Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy report were based on agreement to the attached joint Labour / Green Amendment to item 60.

The committee agreed amendments impact on the following paragraphs.

The paragraph below explains the implication of amendment 2, this was not in the original Housing Committee report and should be read after paragraph 4.7 of the 18th January Housing Committee report pack.

As outlined in table 3 below social rents are to be uplifted by the permitted 7%, as amended by Housing Committee a more tailored approach is being taken for the Living Wage rents. The uplifts for these rent levels are to be capped at the average cash increase for social rents. This equates to a 4.5% and 3.4% increase for 27.5% Living Wage rents and 37.5% Living Wage rents respectively. LHA Rates are frozen at the current rates.

Paragraph 4.11 of the 18th January Housing Committee report pack should now read a 15.5% increase and 16.7% increase for gas and electricity respectively instead of 50%.

Amendment 3 impact (Paragraph 6.13)– 'Increase the home purchases in the Capital programme by adding 15 purchases for TA use'.

The introduction paragraph in appendix 4 to the 18th January Housing Committee report pack should now read.

The focus for the Medium Term Financial Strategy (MTFS), outlined in Appendix 4, will remain on delivering the key priorities. However, to ensure Value for Money is maintained, an assumption has been made that the MTFS will identify efficiencies of c.0.5% per annum of expenditure budgets (excluding financing costs). This will also include a review of all income streams during 2023/24 to ensure the HRA maximises all of its income streams. As amended by Housing Committee, this includes 'exploring increasing commercial rents in HRA properties by 3% (with discretion to waive increases where social value may be at risk), raising up to £17k to add to the working balance'.

The committee agreed amendments impact on the following tables.

**Revenue Implications:**

Replacement for table 1 on page 144 of the 18th January Housing Committee report pack.

| Table 1 – 2023/24 Revenue Budget changes | 2022/23 Adjusted budget | 2023/24 Inflation | 2023/24 Investments | 2023/24 Other Changes | 2023/24 Original Budget | 2023/24 FTE |
|---|---|---|---|---|---|---|
| **Expenditure** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | |
| Housing Investment & Asset Management | 4,997 | 312 | 0 | 24 | 5,333 | 64.6 |
| Housing Management & Support | 5,846 | 607 | 0 | (76) | 6,377 | 15.1 |
| Housing Strategy & Supply | 1,515 | 51 | 0 | (110) | 1,456 | 37.6 |
| Repairs & Maintenance | 14,112 | 990 | 1,146 | (54) | 16,194 | 201.4 |
| Tenancy Services | 12,233 | 1,153 | 438 | 219 | 14,043 | 214.7 |
| Revenue Contribution to Capital | 19,096 | 0 | 0 | 185 | 19,281 | |
| Capital Financing Costs | 5,865 | 0 | 0 | 489 | 6,354 | |
| **Total Expenditure** | **63,664** | **3,113** | **1,584** | **677** | **69,038** | **533.5** |
| **Income** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | |
| Rents Dwellings | (55,954) | (3,946) | 0 | (808) | (60,708) | |
| Rents Car Parking / Garages | (1,000) | (119) | 0 | (17) | (1,136) | |
| Commercial Rents | (600) | 0 | 0 | 0 | (600) | |
| Service Charges | (5,924) | (396) | 0 | 15 | (6,305) | |
| Other Income | (186) | (3) | 0 | (100) | (289) | |
| **Total Income** | **(63,664)** | **(4,464)** | **0** | **(910)** | **(69,038)** | |
| **DEFICIT / (SURPLUS)** | **0** | **(1,351)** | **1,584** | **(233)** | **0** | |

Replacement for table 3 on page 146 of the 18th January Housing Committee report pack:

| Table 3 - Average weekly rent increases | | | | |
|---|---|---|---|---|
| **Rent Type** | **No. of tenancies** | **22/23 Average weekly rent £** | **23/24 Estimated average weekly rent £** | **% increase** |
| Social | 11,209 | 89.7 | 95.98 | 7.0% |
| Affordable at 27.5% Living Wage | 46 | 137.55 | 143.75 | 4.5% |
| Affordable at 37.5% Living Wage | 139 | 185.06 | 191.36 | 3.4% |
| Affordable at LHA | 206 | 184.65 | 184.65 | 0.0% |
| Affordable at LHA TA | 167 | 158.13 | 158.13 | 0.0% |

Replacement for table for budget reconciliation table in appendix 1 on page 155 of the18th January Housing Committee report pack.

| **Budget Reconciliation** | | |
|---|---|---|
| **Inflation** | **£'000** | **£'000** |
| Inflation related to the cost of utilities | 885 | |
| Inflation related to the cost of Repairs & Maintenance for works and materials | 938 | |
| Inflation related to salary costs | 750 | |
| Corporate Inflation rates applied to other expenditure (including SSC's) | 540 | |
| **Total Expenditure Inflation** | | 3,113 |
| **Income** | | |
| Rent inflation | (3,946) | |
| Service Charge inflation as per appendix 3 | (396) | |
| Corporate Inflation rates applied to other income | (122) | |
| **Total Income Inflation** | | (4,464) |
| **Total Inflation related changes** | | **(1,351)** |
| **Investments** | **£'000** | **£'000** |
| **Expenditure** | | |
| Investment in the HRA apprenticeship programme. | 426 | |
| Investment required for the Transition Team, including a key procurement role to assist with the continued implementation and optimisation of the in-house Repairs and Maintenance Service. | 245 | |
| Net revenue investment in resources to comply with Health & Safety requirements e.g. permanent Electrical Testing Resource. | 335 | |
| Professional fees associated with the resourcing of specialist support for materials supply chain re-procurement-required by the in-house Repairs and Maintenance service. | 140 | |
| Investment in Tenancy Services that will ensure further support is provided for the increasing number of complex tenant's' cases, Anti-Social Behaviour issues and wider stock growth in the HRA. | 181 | |
| Short term increase in the bad debt provision to reflect the current collection rate. | 92 | |
| Increased investment in the tenancy fraud service. | 60 | |
| Management of ASH Die back works on HRA estates. | 55 | |
| Medium term plan to replace furniture at the council's Seniors Housing schemes. | 50 | |
| **Total Investments & Reinvestments changes** | | **1,584** |
| **Other Changes** | **£'000** | **£'000** |
| **Expenditure** | | |
| Increase in Financing Costs | 489 | |
| Salary changes to ensure funding matches changes affecting all staff, including the low pay implementation and the assumed NJC pay award for 2023/24. | (160) | |
| Direct Revenue Funding (DRF) Adjustment | 185 | |
| Net increase of other changes to bring budgets in line with expenditure | 163 | |
| **Total Expenditure Other Changes** | | **677** |
| **Income** | | |
| Increase in new Supply rents | (808) | |
| Other changes to bring budgets in line with income | (102) | |
| **Total Income Other Changes** | | **(910)** |
| **Total Other Changes** | | **(233)** |
| **Deficit / (Surplus)** | | **-** |

Replacement for table in appendix 2 on page 161 of the 18th January Housing Committee report pack.

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| **Service Charges Eligible for Housing Benefit** | | | | | | | |
| Seniors Housing - Common Ways | 876 | 209 | £11.46 | £11.01 | -£0.45 | -4% | Charge increased in previous years to reflect increase in cleaning charge. |
| Communal Cleaning | 5,465 | 2,996 | £3.22 | £3.62 | £0.40 | 12% | The increase reflects pay and price inflation. |
| Seniors Housing - Laundry | 850 | 191 | £2.80 | £3.20 | £0.40 | 14% | The change is as a result of higher electricity prices and reflects 15.5% of the utility inflation increase being introduced in 2023/24. |
| Seniors Housing - Intensive Management | 873 | 195 | £23.42 | £24.67 | £1.25 | 5% | Increase relates to costs incurred in providing the IH service. |
| Grounds Maintenance | 5,777 | 2,777 | £0.86 | £0.93 | £0.07 | 8% | The increase reflects the increased costs of the service due to recent revisions to the City Parks costings and charges to reflect actual costs. |
| TV Aerials | 5,837 | 2,854 | £0.84 | £0.91 | £0.07 | 8% | The increase reflects annual servicing contract inflation and reactive repairs. |

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| Door Entry Servicing and Maintenance | 4,020 | 2,358 | £0.57 | £0.62 | £0.04 | 7% | The increase reflects contract inflation. |
| Electricity - Communal Ways | 5,482 | 2,879 | £1.01 | £1.17 | £0.16 | 16% | The change is as a result of higher electricity prices and reflects 15.5% of the utility inflation increase being intrododuced in 2023/24. |
| Lift Servicing and Maintenance | 2,606 | 1063 | £1.07 | £1.20 | £0.13 | 12% | The increase reflects annual contract inflation and reflects reactive repair costs. |

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| **Service Charges NOT Eligible for Housing Benefit** | | | | | | | |
| Water Charges | 242 | N/A | £4.98 | £5.61 | £0.63 | 13% | The increase is due to forecast inflation increase for water charges. |
| Communal Heating – Electricity | 127 | N/A | £11.77 | £13.59 | £1.82 | 15% | The change is as a result of higher electricity prices and reflects 15.5% of the utility inflation increase being intrododuced in 2023/24. |
| Communal Heating – Gas | 1,234 | N/A | £8.13 | £9.39 | £1.26 | 15% | The change is as a result of higher electricity prices and reflects 16.7% of the utility inflation increase being intrododuced in 2023/24. |
| Garages and Car Parking | 2,629 | N/A | £9.88 | £10.88 | £1.00 | 10.1% | CPI September inflationary increase. |
| Mobility Scooter and Cycle Storage | 35 | N/A | £2.60 | £2.86 | £0.26 | 10.1% | CPI September inflationary increase. |

**Capital Implications:**

Replacement for table in appendix 3 on page 165 of the 18th January Housing Committee report pack.

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| **Programme Expenditure** | | | | | | | | |
| **Delivery of New Council Homes** | | | | | | | | |
| Home Purchase Policy | 18,750 | 1,000 | 19,750 | 6,250 | 4,500 | 2,650 | | Continued delivery of the Home Purchase Policy. As amended 2023/24 budget would allow up to 75 properties. 25 properties in 2024/25 and 20 properties 2025/26 and 10 properties in 2026/27. |
| Other Acquisitions | | 5,205 | 5,205 | | | | | Budget for the purchase of properties outside of the Home Purchase Policy, where opportunities and business cases present themselves. |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Feasibility | 350 | | 350 | 300 | 200 | | | Feasibility budget required to bring forward the new supply pipeline. |
| Converting spaces in existing buildings | 1,730 | 516 | 2,246 | 2,200 | 2,200 | | | Continued delivery of the Hidden Homes scheme where underutilised spaces are converted into new council homes. |
| Design Competition | 682 | 1,625 | 2,307 | | | | | Previous budget approved for Frederick Street and Rotherfield Crescent profiled in the financial years to match the latest deliver programme. |
| Moulsecoomb Hub land | | 9,014 | 9,014 | | | | | The appropriation is expected to take place during 2023/24. The November committee report requested further budget to bring the project up to the planning with final scheme and budget approval to be taken back to committee during 2022.The budget line reflects the approvals given to bring the scheme up to RIBA |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | stage 3. Further detail can be found in the Housing Committee report from 22nd June 2022. |
| Windlesham Close | 1,350 | 685 | 2,035 | 4,341 | | | | Approval given for this scheme at the 1st July 2022, the budget has been profiled to match the latest estimates of the cashflow. |
| Palace Place | | 1,608 | 1,608 | | | | | Approval given for this scheme at the 1st July 2022, the budget has been profiled to match the latest estimates of the cashflow. |
| Belgrave Day Centre, Portslade | 934 | | 934 | 332 | | | | Purchase of 49 homes from HBH LLP at the Portslade site. |
| Coldean Lane, North of Varley Halls | 6,160 | (813) | 5,347 | 857 | | | | Purchase of 127 homes from HBH LLP at the Coldean site. Final budget lines following the construction of homes during the previous financial years. |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| **Total Delivery of New Council Homes** | **29,956** | **18,840** | **48,797** | **14,280** | **6,900** | **2,650** | | |
| **Improving Housing Quality** | | | | | | | | |
| Main Door Entry Systems & CCTV | 817 | | 817 | 700 | 700 | 700 | 700 | Repair and replacement of Main Entrance Doors. Long term programme of door entry system replacements, as systems fail or reach the end of their serviceable life, with spare parts unable to be sourced. These two programmes are reviewed alongside each other and works coordinated where feasible to ensure value for money. Installation and upgrade of CCTV systems to increase security of blocks. |
| Water Tanks, Ventilation, Lighting & Lightning Protection & Fire Alarms | 1,930 | | 1,930 | 1,600 | 1,490 | 1,500 | 1,580 | Projects help meet statutory requirements and ensure safety and welfare for residents through |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | replacement and improvements. |
| Lifts | 880 | | 880 | 1,980 | 1,130 | 1,000 | 1,000 | The lift replacement and upgrade programme is a long-term commitment to council residents. The majority of lifts have now been replaced since its inception, and the programme is under ongoing review to ensure it continues to provide good value for money. |
| Fire Safety & Asbestos Management | 3,320 | | 3,320 | 2,590 | 2,590 | 2,390 | 2,390 | Effectively managing the risks of both fire and asbestos materials is an ongoing need. Includes both statutory requirements and provision for enhanced fire safety measures. In particular, including provision for a programme of EWS1 surveys in 23/24. |

| | For Approval | For info | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Minor Capital Works | 520 | | 520 | 795 | 810 | 851 | 894 | Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages. |
| Condensation & Damp Works | 500 | | 500 | 280 | 280 | 294 | 309 | Health and welfare of council residents is assisted by tackling issues arising from condensation and damp in properties. The budget for 2023/24 has been increased following the tragic Rochdale Borough Homes case and will keep this budget under review. |
| Major Structural works | 2,338 | 5,760 | 8,098 | 8,383 | 6,500 | 6,300 | 6,200 | Meeting our landlord obligations through maintaining the structural and general external integrity of properties. |
| Major Empty Property works | 220 | | 220 | 220 | 220 | 220 | 220 | Extensive refurbishment of empty homes prior to re-letting. |
| Cyclical Repairs & Decorations | 1,384 | | 1,384 | 1,605 | 1,188 | 1,247 | 1,309 | External and common way repairs and decorations |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | across the city help reduce ongoing costs and keep properties well maintained. Housing Investment and Asset Management team work closely with residents to ensure internal decorations in blocks are consistently delivered across the city. |
| Seniors Housing Improvements | 330 | | 330 | 330 | 330 | 200 | 200 | Meets the identified need from November 2019 to invest in the council's Seniors Housing schemes to improve security, accessibility and address any structural issues identified. |
| Future capital projects | 250 | | 250 | 250 | 250 | 250 | 250 | Specialist and other surveys to support future programmes. |
| Dwelling Doors | 990 | | 990 | 990 | 990 | 1,040 | 1,092 | Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire- |

| | For Approval | For info | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | rated doors to dwellings where required. |
| Kitchens & Bathrooms | 2,480 | | 2,480 | 2,590 | 2,590 | 2,720 | 2,856 | This budget helps to ensure homes comply with the Brighton & Hove Standard. |
| Rewiring - Domestic/ Communal | 1,735 | | 1,735 | 1,820 | 1,840 | 1,932 | 2,029 | Safe and reliable and compliant electrical installations and efficient lighting are supported from this budget. |
| Windows | 1,443 | 200 | 1,643 | 2,154 | 2,135 | 2,242 | 2,354 | Window replacement programmes meet the council's landlord obligations, improve energy efficiency, warmth and reduce ongoing repair costs. |
| Roofing | 1,223 | | 1,223 | 1,205 | 1,100 | 1,155 | 1,213 | Helps to extend the life of assets, improves insulation and reduces responsive repairs. |
| **Sustainability & Carbon Reduction** | | | | | | | | |
| Domestic/Communal Heating Improvements | 2,230 | | 2,230 | 2,530 | 2,640 | 2,772 | 2,911 | Efficient and modern replacement heating systems |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | improve thermal comfort, reduce carbon emissions and resident fuel costs. |
| Energy Efficiency & Low Carbon Heating | 1,670 | | 1,670 | 1,740 | 3,300 | 2,000 | 2,000 | This programme will help take up a range of opportunities to further improve the energy rating of our homes and to identify projects that will help move towards zero carbon from our service delivery activities by 2030. |
| New Solar Panels Programme | 440 | 800 | 1,240 | 1,540 | 1,540 | 1,000 | 1,000 | Project Management support is now in place to deliver the solar PV programme, procurement of a new contract has begun and should be in place Spring 2023. We are planning a 3 year programme delivering up to 1000 new systems, budgets have been re-profiled on this basis. |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| **Tackling Inequality** | | | | | | | | |
| Environmental Improvements | 625 | 100 | 725 | 360 | 360 | 360 | 360 | This budget funds environmental and communal area improvement work based on resident priorities. It also includes provision for the refurbishment of housing owned playgrounds (as reported to ETS Committee in January 2021). |
| Disabled Aids & Adaptations | 1,600 | | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | Enabling vulnerable residents to continue to live independently in their homes through investment in housing adaptations. |
| Conversions & Extensions | 660 | | 660 | 700 | 730 | 750 | 750 | Tackling overcrowding across the city is of key importance to ensure good quality housing. |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| **Total Investment in existing Housing Stock** | **27,585** | **6,860** | **34,445** | **35,962** | **34,313** | **32,523** | **33,217** | |
| **Total Other Projects** | **250** | | **250** | **250** | **100** | **100** | **100** | |
| **Total Programme** | **57,791** | **25,700** | **83,491** | **50,492** | **41,313** | **35,273** | **33,317** | |
| **Programme Funding** | | | | | | | | |
| Revenue Contribution to investment in existing housing stock | 19,281 | | 19,281 | 18,757 | 19,830 | 18.313 | 18,589 | 24/25 to 27/28 figures are illustrative and will be adjusted accordingly as the 30 year business plan is updated. |
| Borrowing | 31,187 | 20,872 | 52,059 | 24,103 | 19,953 | 16,165 | 14,728 | Borrowing required to fund capital investment. |
| HRA reserves | 1,090 | | 1,090 | 4,800 | | | | Useable revenue and capital reserves. |
| Capital Receipts | 525 | | 525 | | | | | Capital receipts for use against new housing delivery. |
| RTB Receipts | 2,028 | 1,074 | 3,102 | 2,652 | 1,350 | 795 | | Retained RTB receipts for New Build. |

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Energy Grants/FITs | 180 | | 180 | 180 | 180 | | | Funding received to support sustainability and carbon projects. |
| Grant Funding | | 2,649 | 2,649 | | | | | Land Release Funding grant received and Homes England grant for the purchase of HBH LLP Properties. |
| Commuted Sums | 2,700 | 300 | 3,000 | | | | | Funding to support the purchase of properties through the Home Purchase Policy. |
| Leaseholder Income | 800 | | 800 | | | | | |
| Earmarked rent reserve | | 805 | 805 | | | | | |
| **Total Funding** | **57,791** | **25,700** | **83,491** | **50,492** | **41,313** | **35,273** | **33,317** | |

**Medium Term Financial Strategy Implications:**

Replacement for tables in appendix 4 on page 175 and 177 of the 18th January Housing Committee report pack.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|
| **Expenditure** | | | | | |
| Management & Service Costs | 23,854 | 25,764 | 26,150 | 26,504 | 26,866 |
| Repairs and Maintenance | 18,226 | 20,339 | 21,332 | 21,709 | 22,076 |
| Other Costs | 1,323 | 1,388 | 1,416 | 1,444 | 1,473 |
| Borrowing costs | 6,354 | 8,023 | 8,565 | 9,462 | 9,826 |
| **Total Expenditure** | **49,757** | **55,514** | **57,463** | **59,119** | **60,241** |
| **Income** | | | | | |
| Rental Income | (60,708) | (65,518) | (68,227) | (68,307) | (69,512) |
| Service Charges (Tenants) | (4,611) | (4,833) | (5,015) | (5,009) | (5,100) |
| Other Income | (3,719) | (3,920) | (4,051) | (4,116) | (4,218) |
| **Total Income** | **(69,038)** | **(74,271)** | **(77,293)** | **(77,432)** | **(78,830)** |
| **Net Revenue Income** | **(19,281)** | **(18,757)** | **(19,830)** | **(18,313)** | **(18,589)** |

| | Years 1-5 | Years 6-10 | Years 11-20 | Years 21-30 | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Expenditure** | | | | | |
| Management & Service Costs | 129,138 | 139,413 | 311,958 | 363,163 | **943,672** |
| Repairs and Maintenance | 103,682 | 116,119 | 264,403 | 315,961 | **800,165** |
| Other Costs | 7,044 | 7,821 | 18,169 | 22,149 | **55,183** |
| Borrowing costs | 42,230 | 64,808 | 137,347 | 148,439 | **392,824** |
| **Total Expenditure** | **282,094** | **328,161** | **731,877** | **849,712** | **2,191,844** |
| **Income** | | | | | |
| Rental Income | (332,272) | (368,131) | (838,781) | (1,002,294) | **(2,541,478)** |
| Service Charges (Tenants) | (24,568) | (27,042) | (62,127) | (74,885) | **(188,622)** |
| Other Income | (20,024) | (22,714) | (54,183) | (67,697) | **(164,618)** |
| **Total Income** | **(376,864)** | **(417,887)** | **(955,091)** | **(1,144,876)** | **(2,894,718)** |
| **Net Revenue Income** | **(94,770)** | **(89,726)** | **(223,214)** | **(295,164)** | **(702,874)** |
| **Capital Expenditure** | | | | | |
| Capital Investment programme | 171,260 | 154,814 | 313,819 | 307,637 | **947,530** |
| Development | 72,627 | - | - | - | **72,627** |
| **Total Expenditure** | **243,887** | **154,814** | **313,819** | **307,637** | **1,020,157** |
| **Funded By:** | | | | | |
| Other Capital Income | (22,109) | - | - | - | **(22,109)** |
| Borrowing | (127,008) | (65,088) | (95,267) | (21,969) | **(309,332)** |
| HRA Reserves | (0) | (1,752) | (2,444) | (24,632) | **(28,828)** |
| Direct Revenue Funding | (94,770) | (87,974) | (216,108) | (261,036) | **(659,888)** |
| **Total Funding** | **(243,887)** | **(154,814)** | **(313,819)** | **(307,637)** | **(1,020,157)** |
| Opening HRA reserves | (3,000) | (3,000) | (3,000) | (7,662) | **(3,000)** |
| (To) / From Reserves | 0 | 0 | (4,662) | (9,496) | **(14,158)** |
| **Cash surplus at year 30** | **(3,000)** | **(3,000)** | **(7,662)** | **(17,158)** | **(17,158)** |

# Brighton & Hove City Council

## Housing Committee Agenda Item 60

**Subject:** **Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy**

**Date of meeting:** **18 January 2023 Housing Committee**
**9 February 2023 Policy & Resources Committee**
**23 February 2023 Budget Council**

**Report of:** **Chief Finance Officer Executive Director for Housing, Neighbourhoods & Communities**

**Contact Officer:** **Craig Garoghan**
**Martin Reid**

**Joint Labour / Green Amendment to item 60**

1) Explore increasing commercial rents in HRA properties by 3% (with discretion to waive increases where social value may be at risk) raising up to 17K to add to the working balance

2) Cap 27.5% and 37.5% Living wage rent increases* at the amount equivalents of 7% on social rents for comparable property types (average proposed 7% social rent increase being £6.28 per week)

   This will reduce the estimated revenue reducing the working balance by an estimated 56 K.

   *as policy all HRA affordable rents are capped at LHA and so will not increase above that level

3) Increase the home purchases in the Capital programme by adding 15 purchases for TA use

   The estimated total spend in 23/24 will be £3.75m more and will be provided by reducing the home purchase budget for 24/25 by £1m, for 25/26 by £1.1m and for 26/27 by 1.65m and bringing these expenditures forwards in the programme making them available to spend in 23/24.

   Rec 2.6 and rec 2.8 to be changed to read "***Approve a capital programme of £57.791m"*** and add ***"as amended***" after capital programme.

   It is estimated that each council owned TA home can save around 3K a year** from the general fund revenue costs.

2K of this saving should be set aside for storage facilities and ringfenced for care leavers in emergency and temporary accommodation.

The remaining saving should be ring fenced to support initially to support any additional costs needed to introduce landlord licensing schemes.

Note that whilst the amendment provides for 15 additional TA units through the home purchase budget that this should not be limited to 15 extra should the opportunities arise to achieve more.

4) Reduce the proposed increase in electricity service charge in appendix 2 from 22% to 15.5% a year until recovery of costs is achieved (estimated over 4 years- based on cost inflation estimates) This will temporarily lower the end of year working balance and the balance will be replenished in later years The recovery pf cost schedule being subject to revision if estimated of energy cost inflation on which the budget is based change significantly.

5) Reduce the proposed increase in gas service charge in appendix 2 from 22% to 16.7% a year until recovery of costs is achieved (estimated over 4 years- based on cost inflation estimates) This will temporarily lower the end of year working balance and the balance will be replenished in later years. The recovery pf cost schedule being subject to revision if estimated of energy cost inflation on which the budget is based change significantly.

In order to accommodate these changes recommendations, the words "***as amended"*** should be added to recommendations 2.1, 2.2, 2.5 and 2.7

Proposed by David Gibson

Seconded by Gill Williams

Amended Recommendations would read as follows:

**That the Housing Committee:**

2.1 Approves a rent increase of up to 7% in line with government legislation as detailed in paragraph 4.6 of the report as amended.

2.2 Approves the service charges and fees as detailed in Appendix 2 to the report as amended.

2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.

2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

**That Housing Committee approves and recommends to Policy & Resources Committee:**

2.5 That the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval as amended.

2.6 Approve a capital programme of £57.791m ~~That the Capital Programme Budget of £54.041m~~ for 2023/24 be agreed and the 5-year programme as set out in Appendix 3 as amended to the report be noted, and recommended to Full Council for approval; and

**That Full Council:**

2.7 Approves the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report as amended.

2.8 Approve a capital programme of £57.791m ~~Approves the Capital Programme Budget of £54.041m~~ for 2023/24 and notes the 5-year programme as set out in Appendix 3 as amended to the report.

# Brighton & Hove City Council

## Housing Committee Agenda Item 60

**Subject:** **Housing Revenue Account Budget & Capital Investment Programme 2023/24 and Medium-Term Financial Strategy**

**Date of meeting:** **18 January 2023 Housing Committee**
**9 February 2023 Policy & Resources Committee**
**23 February 2023 Budget Council**

**Report of:** **Chief Finance Officer**
**Executive Director for Housing, Neighbourhoods & Communities**

**Contact Officer:** **Name: Craig Garoghan**
**Martin Reid**

**Tel: 01273 29-1262**
**01273 29-3321**

**Email: craig.garoghan@brighton-hove.gov.uk**
**martin.reid@brighton-hove.gov.uk**

**Ward(s) affected:** **All**

**For general release**

### 1 Purpose of the report and policy context

1.1 This report presents the proposed Housing Revenue Account (HRA) revenue and capital budget for 2023/24 as required by the Local Government & Housing Act 1989. Members are required to consider the revenue budget proposals including investments and re-investments and changes to rents, fees and charges and the capital programme. This report also sets out the Medium-Term Financial Strategy and a 30-year financial forecast.

1.2 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,700 rented properties and approximately 2,900 leasehold properties. The HRA is a ring-fenced account within the General Fund that 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.

1.3 Although the HRA is not subject to the same funding constraints as the General Fund, it is a ring-fenced account within the General Fund and still follows the principles of value for money and equally seeks to improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and costs with comparator organisations is used to identify opportunities for better economy, efficiency, and service delivery.

1.4 For 2023/24 the position has become considerably more challenging than previous years, due to the continuing investment required from the building safety and fire safety regulations, impacting capital and revenue budgets. Including implications following the implementation of the Building Safety Act and the Fire Safety Act. Both of which will have implications from January 2023 and will require resource and investment. It is likely to be 2023/24 before the Act comes fully into force. In addition, significant investment is projected in carbon reduction measures to achieve net zero and tackle fuel poverty. The position is also being exacerbated by abnormally high inflation impacting upon areas including services, labour, materials and contracts.

1.5 The Chancellor's Autumn Statement announced in November that rent increases are to be capped at 7% for 2023/24. This announcement provides a degree of certainty allowing the council to balance affordability for tenants whilst continuing the investment required in homes.

1.6 For expediency, included as part of this report are the proposed fees and charges for 2023/24 relating to the Travellers sites in the city. These sites do not form part of the HRA and so need to be considered separately to the proposals for the HRA. Section 9 and Appendix 5 to the report outline the proposals for the Travellers sites.

## *2* Recommendations

**That the Housing Committee:**

2.1 Approves a rent increase of up to 7% in line with government legislation as detailed in paragraph 4.6 of the report.

2.2 Approves the service charges and fees as detailed in Appendix 2 to the report.

2.3 Notes the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 4 to the report.

2.4 Approves the Travellers fees and Charges set out in Appendix 5 to the report.

**That Housing Committee approves and recommends to Policy & Resources Committee:**

2.5 That the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report be agreed and recommended to Full Council for approval.

2.6 That the Capital Programme Budget of £54.041m for 2023/24 be agreed and the 5-year programme as set out in Appendix 3 to the report be noted, and recommended to Full Council for approval; and

**That Full Council:**

2.7 Approves the updated HRA Revenue Budget for 2023/24 as shown in section 4 of the main report and Appendix 1 to the report.

2.8 Approves the Capital Programme Budget of £54.041m for 2023/24 and notes the 5-year programme as set out in Appendix 3 to the report.

## 3 HRA Budget Strategy and Risks

3.1 The HRA Budget aims to balance the priorities of both the council and council housing residents within the context of the council's Housing Strategy, HRA Asset Management Strategy and the Housing Committee's priorities and work plan 2019-23 which set out the overall direction for Housing in the city over the 4-year period. As well as these commitments, the budget strategy anticipates the significant legal and regulatory changes expected to follow from the post Grenfell review of building safety through the Building Safety Act and the proposals that will change how social landlords operate as encompassed in the Social Housing White Paper.

3.2 The priorities and work plan for the Housing Committee and Housing Service for the four years between 2019-2023 were agreed in September 2019 to inform future reporting to Committee.

3.3 Key priorities of the Housing Strategy, Asset Management Strategy and Work Plan that inform the Housing Revenue Account Budget & Capital Investment Programme 2023/24 are:

- Improving Housing Supply
- Improving Housing Quality
- Improving Housing Support

3.4 Further details relating to the workplan and an update on progress to date can be found within the Housing Committee Workplan Progress Update and Housing Performance Report Quarter 2 2022/23, included within this Housing Committee agenda.

3.5 Understanding the demands on resources over the coming years is vital to ensure the HRA remains a viable model. This will entail scenario planning, regular reviews of the current budgets throughout the budget setting process and early identification of financial pressures during the given financial year. There are several areas that are yet to be quantified creating risk and uncertainty for the HRA, this is either due to further due diligence being required, the costs of which have been included in the budget for 2023/24, or not enough information being available on regulatory changes. These risks and uncertainties include but are not limited to:

**i. Backlog recovery works:**
Financial risks relating to the post-pandemic backlog of responsive repairs and empty property works was identified as a significant financial issue for 2022/23.This continues to be recognised as a financial risk for

the HRA during 2023/24. The revenue budgets have been increased by the assumed inflation rates set out in Appendix 1 to reflect some of the risk surrounding the cost of these works. Due to the level of the backlog, it is anticipated that costs during the financial year will exceed the budget provisions allowed for, however, this is only anticipated to be a short term impact whilst the backlog of works is cleared. The 2022/23 HRA budget report set aside a total of £1.500m to ensure one-off funding was available during the year to cope with this pressure. Due to underspends within the service during 2022/23 all of this funding is still available and will be used during 2023/24 to fund any cost overruns in-year.

**ii. Building Safety and Fire Safety Regulations:**

It is anticipated that the investment required from the building safety and fire safety regulations will be significant and will impact capital and revenue budgets. The 2023/24 budget proposals look to address this, including on the secondary legislation required to implement the Building Safety Act following Royal Assent in April 2022. It is likely to be 2023/24 before the Act comes fully into force.

**iii. Social Housing White Paper:**

There is significant uncertainty surrounding the impact of the Social Housing White Paper, including potential new duties placed on social housing landlords and a review of the Decent Homes Standard. There are resources allowed for within the HRA to review the impact of this legislation during 2023/24 to help inform how to best deal with the implications.

**iv. Sustainability Investment:**

It is recognised that Housing can play a significant part in reducing the City's carbon footprint and therefore the climate crisis. Improved energy performance of homes is addressed through investment in our planned and major works programmes, including improvements to roofing, windows, doors, external works, heating systems and solar PV's. The total proposed investment programme over 5 years including all the areas investment listed is estimated to be £52.000m with the 2023/24 programme being £9.000m.

However, through the work being undertaken by the council's sustainability team and in identifying opportunities to work collaboratively with neighboring authorities, it is recognised that investment is likely to need to increase beyond this level to ensure that the target of making the city carbon neutral by 2030 is met, therefore creating risk and uncertainty around future years' investments. The likelihood is this will increase the HRA's capital programme and borrowing requirements in the short term.

**v. Rent setting policy updates:**

The outcome of the social rent consultation which concluded on 6th October 2022 has provided clarity on the rent uplift allowable for 2023/24. This has allowed the council to set out a plan for the financial year to continue investing in tenants' homes, whilst limiting the increase to individuals' rents as much as possible. Beyond 2023/24 the policy for rent setting becomes less certain for multiple reasons. The first being that it is unclear if any further alterations to the rent policy will be made for 2024/25; currently it is assumed that the policy will revert to allow CPI+1%. The second reason is that notwithstanding the cap on rent increases for 2023/24 the rent policy allows for up to Consumer Price Index (CPI) at the previous September rate +1% to be applied to rents over a 5 year period; 2024/25 would be the final year. Currently, it is unknown what the rent policy will look like beyond this. Central Government have indicated that further consultation is likely to happen during 2023/24.

3.6 All of the above makes medium-term financial planning very challenging at a time when budgets are under growing and sustained pressure due to inflation and economic conditions. This is further demonstrated by the current financial forecast for 2022/23 where the HRA is estimated to overspend by £1.172m.

3.7 The HRA is having to manage the rising cost of inflation, including costs of utilities and repairs to tenants homes alongside increasing support for tenants. Work also continues to address the rent loss and other costs associated with the remaining back log of empty properties, albeit it is still anticipated that this will exceed the budget set in February 2022. The reported overspend also includes a short term pressure relating to financing costs as a result of borrowing being undertaken early than anticipated in order to take advantage of more favorable interest rates.

3.8 Officers continue to review expenditure in order to mitigate the forecast overspend as far as possible. If this cannot be managed within budget, then the overspend can be met from other HRA resources including reviewing the revenue contribution to capital and reserves position as outlined in the HRA budget report for 2022/23. Further details of the forecast can be found in the TBM month 7 report, presented to Policy & Resources Committee on 1st December 2022.

3.9 Where it has been identified that there will be a budget pressure that will continue through 2023/24, budgets have been increased to reflect this. Including an increase in financing costs which has resulted from borrowing earlier than anticipated to take advantage of more favorable interest rates. There is also additional budget allowed to reflect the current level of empty council homes and income collection. Since March 2020 empty council homes have increased and rent collection rates have decreased. Significant progress has been made during 2022/23 in reducing the number of empty council homes, from a starting position of 251 at March 2022 to 143 homes at the end of November. The downward trend is expected to continue during 2023/24 with the aim to be at the level of empty council homes pre-pandemic. The rent collection rate stands at 94.52% at the end of November

2022. Officers are working to review the reasons behind this and develop a recovery plan to support bringing this back up towards pre-pandemic rent collection levels.

3.10 Allowed for in the 2023/24 revenue budget is an increase in the bad debt provision, increase in costs of emergency accommodation linked to the current policy for Temporary Accommodation across the authority and in part to the number of empty council homes held in the HRA and Council Tax contributions. These are considered to be short term pressures and will reduce throughout the MTFS period as the number of empty council homes continue to reduce and the collection of income improves during 2023/24.

## 4 HRA Revenue Budget proposals 2023/24

4.1 When setting the revenue budgets for 2023/24, consideration of all known and quantifiable changes has been considered. In some instances, this has been managed by reallocating resources to reflect the change in service need and demand.

4.2 Assumptions around cost pressures are outlined in table 1 below, with further detail provided in Appendix 1 to the main report. The rising cost of inflation is having a significant impact on the budget particularly for repairs and maintenance and utilities costs. In contrast to the stable periods of inflation experienced for many years, the table shows the substantial impact of the higher inflation, which is expected to continue into 2023/24, albeit at a reducing level compared with the current financial year.

| **Table 1 – 2023/24 Revenue Budget changes** | **2022/23 Adjusted budget** | **2023/24 Inflation** | **2023/24 Investments** | **2023/24 Other Changes** | **2023/24 Original Budget** | **2023/24 FTE** |
|---|---|---|---|---|---|---|
| **Expenditure** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | |
| Housing Investment & Asset Management | 4,997 | 312 | 0 | 24 | 5,333 | 64.6 |
| Housing Management & Support | 5,846 | 607 | 0 | (77) | 6,376 | 15.1 |
| Housing Strategy & Supply | 1,515 | 51 | 0 | (110) | 1,456 | 37.6 |
| Repairs & Maintenance | 14,112 | 990 | 1,146 | (54) | 16,194 | 201.4 |
| Tenancy Services | 12,233 | 1,153 | 438 | 219 | 14,043 | 214.7 |
| Revenue Contribution to Capital | 19,096 | 0 | 0 | 262 | 19,358 | |
| Capital Financing Costs | 5,865 | 0 | 0 | 489 | 6,354 | |
| **Total Expenditure** | **63,664** | **3,113** | **1,584** | **753** | **69,114** | **533.5** |
| **Income** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | |
| Rents Dwellings | (55,954) | (3,946) | 0 | (777) | (60,677) | |
| Rents Car Parking / Garages | (1,000) | (119) | 0 | (17) | (1,136) | |
| Commercial Rents | (600) | 0 | 0 | 0 | (600) | |
| Service Charges | (5,924) | (396) | 0 | (92) | (6,412) | |
| Other Income | (186) | (3) | 0 | (100) | (289) | |
| **Total Income** | **(63,664)** | **(4,464)** | **0** | **(986)** | **(69,114)** | |
| **DEFICIT / (SURPLUS)** | **0** | **(1,351)** | **1,584** | **(233)** | **0** | |

4.3 The table includes a high level summary of recurrent cost assumptions offset by the increase in income predominantly from rental income for dwellings. The net revenue budget results in a 'surplus' of £19.358m which is then used to provide the Revenue Contribution to Capital in support of capital programme investments.

4.4 However, this surplus is not sufficient to meet the capital investment in existing homes during 2023/24 as outlined in Appendix 3 to this report. The impact of this means that borrowing will be required to meet this level of investment. The resources available to fund the capital programme will be kept under review during the financial year and any borrowing decision will be made in line with treasury advice. A review of the HRA's reserves and borrowing position will be carried out on a regular basis and reported in accordance with the council's financial regulations and procedures.

**Rents and Service Charges**

4.5 Social rents for council homes are calculated in accordance with government guidelines. Rent restructuring rules still apply and Target Rents for each property are calculated based on the relative property values, bedroom size and local earnings, the Target Rents will apply to all new social rent tenancies.

4.6 Affordable rents, which include the council's Living Wage rents and LHA rents, are calculated differently to social rents. For Living Wage rents this means that for any new tenancies and re-lets, rents are set using the new national living wage hourly rate due to be introduced from 1st April 2023. LHA rents are however capped at the lower of the LHA rate or 80% of the market value. For new tenancies and re-lets an assessment of the market value is undertaken at the time of letting to ensure the overall charge including service charges does not exceed those limits. For 2023/24, LHA rates have been frozen at the current rates. Further information on these rates can be found on the council's website.

4.7 The Autumn Statement announced on 17 November 2022 that following consultation with stock holding Local Authorities and Housing Associations rent increases will be capped at 7% rather than allowing the potential 11.1% increase allowed under the current rent policy statement. The impact of this uplift has been factored into the budget proposals for 2023/24 and included in the Medium-Term Financial Strategy (MTFS) which inevitably results in less being available to directly fund capital investment together with a concomitant increase in the borrowing requirement. The table below provides the breakdown of the average rent increase across the 4 rent levels included within the HRA's rent policy.

| Table 3 - Average weekly rent increases | | | | |
|---|---|---|---|---|
| **Rent Type** | **No. of tenancies** | **22/23 Average weekly rent £** | **23/24 Estimated average weekly rent £** | **% increase** |
| Social | 11,209 | 89.70 | 95.98 | 7.0% |
| Affordable at 27.5% Living Wage | 464 | 141.61 | 151.52 | 7.0% |
| Affordable at 37.5% Living Wage | 139 | 182.53 | 195.31 | 7.0% |
| Affordable at LHA | 206 | 184.65 | 184.65 | 0.0% |
| Affordable at LHA TA | 167 | 160.29 | 160.29 | 0.0% |

4.8 It is important that when comparing the average rent levels above consideration is given to the mix of units within the specific rent categories. Table 4 below provides a summary of mix of units within each category.

| Table 4 - Percentage of the number of bedrooms per rent type. | | | | | | |
|---|---|---|---|---|---|---|
| **Rent Type** | ***0 Bed*** | ***1 Bed*** | ***2 bed*** | ***3 Bed*** | ***4 Bed*** | ***5 bed+*** |
| Social | 5% | 31% | 38% | 23% | 2% | >1% |
| Affordable at 27.5% Living Wage | 2% | 2% | 72% | 24% | 0% | 0% |
| Affordable at 37.5% Living Wage | 0% | 12% | 72% | 10% | 6% | 1% |
| Affordable at LHA | 0% | 50% | 34% | 16% | 0% | 0% |
| Affordable at LHA TA | 7% | 69% | 16% | 7% | 1% | 0% |

4.9 When setting the Affordable rents and Living Wage rents for current tenancies, consideration is given to the prevailing rates for Local Housing Allowance (LHA) and the national living wage for the new financial year. This is compared against the 7% increase to ensure they do not exceed the permitted uplift.

4.10 Rents are not calculated to include any service charges and only include charges associated with the occupation of a dwelling, such as maintenance of the building and general housing management services. Service charges are therefore calculated to reflect additional services which may not be provided to every tenant, or which may relate to communal facilities rather than to a specific occupation of a house or flat. Different tenants may receive different types of services reflecting their housing circumstances. All current service charges are reviewed annually to identify any service efficiencies which can be offset against inflationary increases, to keep increases to a minimum. The proposed fees and service charges for 2022/23 are set out in Appendix 2.

4.11 The largest increase in service charges relates to the cost of utilities. The expenditure inflation is currently estimated to be up to 45%, although could increase beyond this. To reduce the impact on tenants during the cost-of-living crisis, a phased increase is being proposed. This means an increase of 50% of the anticipated inflation rate will be applied, with a view to increasing charges up to the full cost over a period of time to ensure cost recovery but to help to mitigate the impact on tenants in the short term. The full year budget effect of phasing the increase is a reduction in income of £0.317m for the HRA during 2023/24. A review of the charges, which are impacted by utility costs, will be carried out during 2023/24 and changes applied where applicable.

4.12 In addition to the 2023/24 impact, it is estimated that a further £0.192m per annum is not being recovered as a result of Service Charges having not kept pace with inflation over a number of years. The review will need to consider the impact of this as well as ensuring that tenants continue to be supported throughout the cost-of-living crisis. Having a review of costs during the year will allow time to review the wider economic situation.

## 5 HRA Reserve position

5.1 The projected level of HRA reserves at 1st April 2023 and 31 March 2024 are shown in Appendix 1. A minimum reserve of £3.000m is recommended to meet general legal and financial risks including higher than expected inflationary pressures, cost overruns, legal challenges, and other contingencies. After taking this into account, current estimates mean that the level of usable reserves are estimated to be £9.137m at 1st April 2023, of which £8.657m has been earmarked for specific uses.

5.2 The remaining balance of £0.480m is low in relation to identified risks but because of the nature of the reserves, if funding were required urgently for health & safety works then officers can recommend that reserves are reviewed and their use switched subject to availability or, if the works required are capital in nature, works could be funded by borrowing or Revenue Contribution to Capital depending on the in-year capital programme position. Changes to reserves require Policy & Resources Committee approval.

5.3 The council's Section 151 Chief Finance Officer has reviewed the level of reserves and provisions in accordance with the requirements of Section 25 of the Local Government Act 2003 and considers them to be adequate and reasonable for their purpose.

5.4 Ongoing service reviews, and consultation with tenants and residents identified in the Housing Committee Work Plan, will continue to be undertaken in 2023/24 to ensure that resources accounted for in the HRA budget are set correctly, that Value for Money is being provided and that the council is meeting the needs of its residents. Where it is deemed that additional resources are required to further improve a service, an individual business case will need to be developed. Within the current resources, there is the flexibility to switch resources where necessary whilst keeping core

services running. Any major changes in budget resources during the year will be reported to Committee.

## 6 HRA Capital Programme 2023/24

6.1 The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the current HRA Asset Management Strategy. The service is currently finalising the draft HRA Asset Management Strategy 2023-27 ahead of resident consultation and Housing Committee approval. The Programme also reflects the delivery of planned maintenance, improvement programmes and major capital projects to council housing informed by the recent stock condition survey and ongoing surveys of the council's housing stock.

6.2 Consideration has been given to the projects outlined in the capital investment programme and the impact of BCIS inflation rates on those. As tender packages are put together for specific projects there is a risk that there will be an increase in estimated budget costs, and this will need to be carefully managed and reviewed during the financial year. This is particularly prevalent for the major projects that are planned.

6.3 Table 3 below outlines the proposed capital investment programme between 2023/24 and 2027/28. Highlights of the capital programme are provided below with a full breakdown of the programmes in Appendix 3 to this paper.

| **Table 5 – Five year capital programme summary** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** |
|---|---|---|---|---|---|
| Investment in existing Housing Stock, including improving overall quality of homes, incorporates general carbon reduction and making homes more sustainable. | 26,320 | 27,492 | 24,143 | 24,041 | 24,596 |
| Investment in specific sustainability measures | 5,140 | 5,810 | 7,480 | 5,772 | 5,911 |
| Tackling Inequality | 2,985 | 2,660 | 2,690 | 2,710 | 2,710 |
| Supporting well-run services | 250 | 250 | 100 | 100 | 100 |
| Delivery of New Council Homes | 45,047 | 18,029 | 6,900 | 2,650 | - |
| **Total Capital Investment** | **79,741** | **54,241** | **41,313** | **35,273** | **33,317** |

**Investment in existing Housing Stock**

6.4 Undertaking a programme of repairs to our existing housing stock is of prime importance to ensure the fabric of the buildings are maintained into the future. Our Asset Management Strategy has identified the areas of work that will be undertaken as a five year future plan, and this is being enhanced to beyond the five years to provide 10 and 15 year programmes. Housing Stock Surveyors will be undertaking this area of work and will continually appraise and update stock records. The planned programmes of work include roofs, doors, windows and external repairs and decorations. Major capital projects are more extensive and cover all elements of works and will also consider energy saving elements.

**Investment in sustainability measures**

6.5 Helping residents to live in well-insulated, efficiently heated, healthy homes addressing fuel poverty issues remains a key long-term objective, which is supported through the capital programme. The five year programme sets out resources of £30.113m; an average investment of £6.022m per annum. This includes investment in making improvements to communal and domestic heating systems as well as identifying opportunities to install energy efficient & low carbon heating systems.

6.6 The council's solar PV programme continues to be implemented. Following a service redesign, project management support is now in place to deliver the solar PV programme, procurement of a new contract has begun and should be in place Spring 2023. A 3 year programme is being planned to deliver up to 1000 new systems, and budgets have been re-profiled on this basis.

6.7 As well as these specific programmes being in place, other areas of investment will contribute to the energy efficiency rating of the council's housing stock. This includes work on replacement windows and doors that will improve energy efficiency and warmth. The current average SAP rating for Council homes is 73 (SAP ratings show the energy performance of a property on a scale of 1 to 100). The current average rating is equivalent to an Energy Performance Certificate C. The focus of the capital expenditure on energy efficiency, renewable energy and low carbon heating programmes will be on the worst performing properties with the aim to get all properties, where it is practicable, to a minimum of EPC C and where feasible to EPC B.

6.8 The current SAP rating is a reflection of the position across the whole of the council housing stock and is based on a broader data set than we have previously had available. We have also been able to update data to reflect all the capital investments to council homes carried out over the years to ensure these are reflected in the SAP score and predicted EPC ratings, as opposed to relying on older and potentially out of date SAP scores that do not reflect the current position after all improvement works.

6.9 Future capital investments such as planned window replacement programmes and major projects will have a positive impact on the SAP

rating for individual properties and the overall stock average. We will work across teams to anticipate and project these improvements for future reporting. The main focus over the next few years will continue to be targeted at the worst performing properties, EPC D and below. The current average home is already at EPC C. We are aiming to bring all properties ,where practicable, up to this minimum standard as soon as possible.

6.10 In addition to the two areas of investment outlined above the capital programme allows for investment in supporting people to live independently in their homes for longer through housing adaptations, tackling overcrowding and adaptation needs through our extensions and conversions programme, and supporting environmental and communal area improvement work based on resident priorities.

6.11 There is an identified need for the council to have up to date Housing ICT systems required to support and develop our investment programmes, regulatory compliance, works and contractor management and customer service. The medium term capital programme allows for this continued investment.

**Delivery of New Council Homes**

6.12 Delivering new affordable housing remains a key investment priority for the HRA and is supported in the capital programme during 2023/24 and beyond. Dedicated staffing resources to continue to deliver on this priority are included in the revenue budget.

6.13 Delivering new council homes under the Home Purchase Policy scheme remains a key source of delivery for the HRA. The 2023/24 capital programme provides budget of £15.000m for the purchase of up to 60 properties. This does not include any slippage from the programme this year which is estimated could be up to 20 homes taking the overall delivery target to 80 homes during the year. Consideration has been given to the rising cost of properties, which has been experienced throughout 2022/23, and funding sources available. Delivering 60 homes is seen as a high but achievable target and allows for the most efficient use of funding to be applied to the programme over the medium term.

6.14 The number of homes purchased is dependent on market conditions at the time of purchasing and so the number of homes delivered is subject to change. At this time, the assumptions made are considered to be the most prudent.

6.15 Other delivery routes within the capital programme include the Hidden Homes programme, where work continues in utilising under-used spaces. As well as this, work continues at pace on the two sites at Portslade and Coldean that are being purchased from Homes for the City of Brighton & Hove LLP and on various projects under the New Homes for Neighbourhoods programme.

6.16 Only new build projects that have received scheme and budget approval have been included in the capital programme, this is a result of the need for an individual business case for each project to be signed off. The inclusion of any further budget would not be considered prudential or sufficiently robust to support its inclusion without concrete plans, with the detailed business cases needing full sign off from Committee.

## 7 HRA Medium Term & 30 Year Financial Forecasts

7.1 The introduction of self-financing in 2012 provided additional resources from the retention of all rental income and, through greater control locally, enabled longer term planning to improve the management and maintenance of council homes. The medium term and 30 year financial forecasts are provided in Appendix 4 along with the assumptions and risks identified for income and expenditure.

7.2 Since the update provided through the 2022/23 budget setting paper the financial landscape has changed significantly. The impact of high inflation and higher than anticipated interest rates has changed the make-up of the 30 year financial forecast. This updated forecast shows that the net income has reduced by £101m, whilst the capital investment programme has increased by £84m (88% of which relates to increased sustainability and retrofit investment) over the 30 years. As a result, the borrowing requirement has increased significantly by £178m over the 30 years. It is therefore vital that the HRA's costs are kept under review with efficiencies and savings identified early to ensure the HRA remains viable in the long term. This is particularly important when considering the investment that is likely to be required following the Building Safety Act, Fire Safety Act and the outcomes of the Social Housing White Paper.

## 8 Analysis and consideration of alternative options

8.1 The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 23 February 2023. Budget Council can debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals.

8.2 The government annually sets a limit rent, currently capped at 7%, which is used to determine how much Housing Benefit subsidy is received from the Department for Work and Pensions. Rises above the limit rent would reduce the amount of subsidy receivable by the council.

## 9 Travellers Fees and Charges

9.1 The council's travellers site has 12 permanent pitches and 21 transit site pitches. As part of the budget setting process, services are required to agree changes to fees and charges through the relevant Service Committee. The management of fees and charges is fundamental both to the financial performance of the City Council and the achievement of the Council's corporate priorities. The council's Corporate Fees & Charges Policy requires

that all fees and charges are reviewed at least annually and should normally be increased in line with the cost of providing the service to maintain income in proportion to the net cost of service.

9.2 The Corporate Fees & Charges Policy also stipulates that increases above or below a 'corporately applied rate of inflation' should be approved by committee. However, it should be noted that the corporate rate of inflation (3%) is not a default rate of increase and is a planning assumption only, set early in the financial year, and should not therefore determine actual increases which should normally reflect current inflation rates and cost increases to ensure that income is maintained in proportion to expenditure.

9.3 The committee are advised that if the proposed fees & charges recommended in this report for the Travellers service (a General Fund service) are not agreed, or if the committee wishes to amend the recommendations, then the item will normally need to be referred to the Policy & Resources Committee meeting on 9 February 2023 to be considered as part of the overall 2023/24 budget proposals. This is because the 2023/24 draft and final budget proposals are developed on the assumption that fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, may have an impact on the overall budget proposals, which means it would need to be dealt with by Policy & Resources Committee as per the requirements of the constitution. However, this does not fetter the committee's ability to make alternative recommendations to Policy & Resources Committee.

9.4 The maximum increase that can be applied to Traveller pitch fees is based on RPI as per the Mobile Homes Act 1983. However, given the exceptionally high level of inflation currently (September 2022 12.6%), the proposed pitch increases are in line with those of the rent increases for Council Housing tenants, an increase of 7%.

## 10 Community engagement and consultation

10.1 The council is committed to ensuring tenants and leaseholders are engaged in the HRA budget setting process ahead of Committee decision making on the budget.

10.2 A Housing Budget Update workshop was held at the tenant and leaseholder City-Wide Conference on 8th October. This included a presentation, giving an outline of the current HRA budget and an initial high-level view of 2022/23 budget setting, budget pressures, service improvements, and efficiencies and savings.

10.3 A further budget presentation was shared at Housing Area Panels in week commencing 12th December 2022. This included the information shared at the City Wide Conference with an update on the outcome of the Government's Rent Cap consultation, utilities inflation and proposed increases in planned capital spend.

## 11 Conclusion

11.1 The Local Government and Housing Act 1989 requires each local authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. This budget report provides a capital programme, break-even revenue budget and recommends rent proposals in line with current government guidance.

11.2 This report also provides the latest medium and long term forecasts for the HRA. However, there are several uncertainties due to impending government legislation, which mean that the current forecasts should be treated with caution.

## 12 Financial implications

12.1 The financial implications are contained within the main body of the report.

Finance officer consulted: Craig Garoghan Date consulted: 09/01/2023

## 13 Legal implications

13.1 Under the Local Government and Housing Act 1989, the Council is obliged to maintain a separate HRA (Section 74) and by Section 76 must prevent a debit balance on that account. Rents and other charges must therefore be set to avoid such a debit. Section 24 of the Housing Act 1985 provides that a local authority may make such reasonable charges as they determine for the tenancy or occupation of their houses. The Council must review rents from time to time and make such charges as circumstances require. The council's standard secure tenancy agreement provides for tenants to be given "at least four weeks' notice in writing" of any increase in rents and other charges before any increases are implemented. Approval of the 7% increase in rents at January's Housing Committee will allow sufficient time for notice of any increase in rent and other charges to be given.

13.2 In its role as landlord, the council has contractual obligations to its tenants and leaseholders to maintain the structure of its housing stock. These obligations are complemented by statutory duties in the Landlord and Tenant Act 1985 as amended. The council must comply with other statutory regimes, including those relating to health and safety, legionella and fire safety. The measures outlined in the report will assist the council in discharging those duties.

13.3 The Housing Committee has delegated powers in relation to authorised sites and encampments, so is the appropriate committee to agree increased Traveller fees and charges set out in Appendix 5.

Lawyer consulted: Liz Woodley Date consulted 22/12/2022

## 14 Equalities implications

14.1 The HRA budget funds services for people with a range of needs including those related to age, vulnerability or health. All capital programme projects undertaken include full consideration of various equality issues and specifically the implications of the Equality Act. To ensure that the equality impact of budget proposals is fully considered as part of the decision making process, equality impact assessments have been developed on specific areas where required.

## 15 Sustainability implications

The sustainability implications are contained within the main body of the report.

## Supporting Documentation

## Appendices

1. Appendix 1 – 2023/24 HRA Revenue Budget
2. Appendix 2 – 2023/24 Tenant Service Charges
3. Appendix 3 – HRA Capital Programme 2023/24 – 2027/28
4. Appendix 4 – HRA Medium Term Financial Strategy and 30 Year Financial Forecast
5. Appendix 5 - Travellers fees and Charges.

**Appendix 1 – HRA Revenue Budget 2023/24**

The table below provides details of the budget changes between the 2022/23 adjusted budget and the proposed 2023/24 budget. A second table is also supplied which outlines the Inflation rate assumptions providing further context to the budget proposals.

| **Budget Reconciliation** | | |
|---|---|---|
| **Inflation** | **£'000** | **£'000** |
| Inflation related to the cost of utilities | 885 | |
| Inflation related to the cost of Repairs & Maintenance for works and materials | 938 | |
| Inflation related to salary costs | 750 | |
| Corporate Inflation rates applied to other expenditure (including SSC's) | 540 | |
| **Total Expenditure Inflation** | | 3,113 |
| **Income** | | |
| Rent inflation | (3,946) | |
| Service Charge inflation as per appendix 3 | (396) | |
| Corporate Inflation rates applied to other income | (122) | |
| **Total Income Inflation** | | (4,464) |
| **Total Inflation related changes** | | **(1,351)** |
| **Investments** | **£'000** | **£'000** |
| **Expenditure** | | |
| Investment in the HRA apprenticeship programme. | 426 | |
| Investment required for the Transition Team, including a key procurement role to assist with the continued implementation and optimisation of the in-house Repairs and Maintenance Service. | 245 | |
| Net revenue investment in resources to comply with Health & Safety requirements e.g. permanent Electrical Testing Resource. | 335 | |
| Professional fees associated with the resourcing of specialist support for materials supply chain re-procurement- required by the in-house Repairs and Maintenance service. | 140 | |
| Investment in Tenancy Services that will ensure further support is provided for the increasing number of complex tenant's' cases, Anti-Social Behaviour issues and wider stock growth in the HRA. | 181 | |
| Short term increase in the bad debt provision to reflect the current collection rate. | 92 | |
| Increased investment in the tenancy fraud service. | 60 | |
| Management of ASH Die back works on HRA estates. | 55 | |
| Medium term plan to replace furniture at the council's Seniors Housing schemes. | 50 | |
| **Total Investments & Reinvestments changes** | | **1,584** |

**Appendix 1 – HRA Revenue Budget 2023/24**

| Budget Reconciliation | | |
|---|---|---|
| **Other Changes** | **£'000** | **£'000** |
| **Expenditure** | | |
| Increase in Financing Costs | 489 | |
| Salary changes to ensure funding matches changes affecting all staff, including the low pay implementation and the assumed NJC pay award for 2023/24. | (160) | |
| Direct Revenue Funding (DRF) Adjustment | 262 | |
| Net increase of other changes to bring budgets in line with expenditure | 162 | |
| **Total Expenditure Other Changes** | | **753** |
| **Income** | | |
| Increase in new Supply rents | (777) | |
| Other changes to bring budgets in line with income | (209) | |
| **Total Income Other Changes** | | **(986)** |
| **Total Other Changes** | | **(233)** |
| **Deficit / (Surplus)** | | **0** |

| 2023/24 Inflation Assumptions | 2023/24 |
|---|---|
| Rent | 7% |
| Salary | 4% |
| Premises Repairs | 12% |
| Gas | 44% |
| Electricity | 45% |
| Water | 13% |
| Other income* | 6% |
| Other expenditure** | 1% |

*including service charges

**average rate

**Appendix 1 – HRA Revenue Budget 2023/24**

The table below provides further detail of the HRA's reserve levels. This shows the anticipated levels at the beginning of the financial year, movement in year and the closing balance.

| Item | Estimated Balance as at 01/04/2022 | Use during 2022/23 | Estimated Balance as at 31/03/2023 | Forecast use during 2023/24 | Estimated Balance as at 31/03/2024 | Conclusion |
|---|---|---|---|---|---|---|
| **HRA Reserves** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | |
| HRA Working Balance | (3,000) | | (3,000) | | (3,000) | A minimum working balance of £3m is recommended by the Chief Finance Officer in accordance with the requirements of Section 25 of the Local Government Act 2003. |
| HRA General Reserves | (480) | | (480) | | (480) | |
| Capital Reserves (HRA) | (1,160) | 480 | (680) | 680 | | |
| Repairs & Maintenance | (1,500) | | (1,500) | 1,500 | | Earmarked to clear the backlog of responsive repairs and voids works. |
| Rent Reduction Reserve | (1,292) | 488 | (804) | 804 | | Earmarked to fund acquisitions in order to lower rents on eligible properties during 2022/23 and 2023/24. |
| EDB Reserves | (326) | | (326) | | (326) | Earmarked to support the revenue budget of £0.181m bringing the total available for EDB to £0.507m. |
| HRA - Renewable Energy Projects | (137) | | (137) | | (137) | |
| Sustainability and retrofit reserve | (5,210) | | (5,210) | 410 | (4,800) | Earmarked for cost of sustainability work at Palace Place and for future years for sustainability measures and retrofit works required on Housing stock. |
| | **(13,105)** | **968** | **(12,137)** | **3,394** | **(8,743)** | |

**Appendix 1 – HRA Revenue Budget 2023/24**

## Support Service Charges & other recharges

The table below provides a breakdown of the support service charges and other charges for 2023/24 and compares this to 2022/23. These are subject to change following a review and finalisation of charges as part of the General Fund Budget proposals. Any change will impact the bottom line revenue surplus, a reduction in revenue surplus will increase the borrowing requirement for 2023/24.

| Charging Service | Adjusted Budget 2022/23 £'000 | Budget 2023/24 £'000 |
|---|---|---|
| **Support Functions:** | | |
| Insurance Costs | 1,056 | 1,096 |
| ICT | 863 | 941 |
| Finance | 267 | 348 |
| Legal & Democratic | 712 | 676 |
| Human Resources | 333 | 401 |
| Property | 154 | 236 |
| Procurement | 131 | 230 |
| Business Operations | 78 | 105 |
| **Support Functions Total** | **3,594** | **4,033** |
| **Other charges:** | | |
| Director | 100 | 108 |
| Tenancy Fraud | 62 | 133 |
| Youth Service | 255 | 255 |
| Discretionary Community Grants | 145 | 145 |
| Disabled Adaptations | 122 | 122 |
| Field Officer support | 52 | - |
| Apprenticeship Levy | 31 | 32 |
| Homing in and Area Panels | 30 | 30 |
| Noise Pollution | 16 | 16 |
| **Other Charges Total** | **813** | **841** |

## Appendix 1 – HRA Revenue Budget 2023/24

| | | |
|---|---|---|
| **Total** | **4,407** | **4,874** |

**Appendix 2 - Tenant Service Charges**

All fees and service charges are reviewed annually to ensure full cost recovery (where appropriate) and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. Proposed fees and service charges for 2023/24 are detailed below. Please note that for the comparable 2022/23 figures, the average weekly charge may differ from the previous year's budget report as a result of stock changes (for example new builds and Right to Buy Sales).

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| **Service Charges Eligible for Housing Benefit** | | | | | | | |
| Seniors Housing - Common Ways | 876 | 209 | £11.46 | £11.73 | £0.27 | 2% | Charge increased in previous year to reflect increase in cleaning charge so smaller increase for 2023/24. |
| Communal Cleaning | 5,465 | 2,996 | £3.22 | £3.62 | £0.40 | 12% | The increase reflects pay and price inflation. |
| Seniors Housing - Laundry | 850 | 191 | £2.80 | £3.43 | £0.63 | 23% | The change is as a result of higher electricity prices and reflects 50% of the utility inflation phased in for 2023/24. |
| Seniors Housing - Intensive Management | 873 | 195 | £23.42 | £24.67 | £1.25 | 5% | Increase relates to costs incurred in providing the Intensive Management service. |
| Grounds Maintenance | 5,777 | 2,777 | £0.86 | £0.93 | £0.07 | 8% | The increase reflects the increased costs of the service due to recent revisions to the City Parks costings and charges to reflect actual costs. |

**Appendix 2 - Tenant Service Charges**

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| TV Aerials | 5,837 | 2,854 | £0.84 | £0.91 | £0.07 | 8% | The increase reflects annual servicing contract inflation and reactive repairs. |
| Door Entry Servicing and Maintenance | 4,020 | 2,358 | £0.57 | £0.62 | £0.04 | 7% | The increase reflects contract inflation. |
| Electricity - Communal Ways | 5,482 | 2,879 | £1.01 | £1.24 | £0.23 | 23% | The change is as a result of higher electricity prices and reflects 50% of the utility inflation phased in for 2023/24. |
| Lift Servicing and Maintenance | 2,606 | 1063 | £1.07 | £1.20 | £0.13 | 12% | The increase reflects annual contract inflation and reflects reactive repair costs. |

**Appendix 2 - Tenant Service Charges**

| | Tenants Charged (No.) | Approx. not eligible for Housing Benefit (No.) | 2022/23 Average Weekly Charge £ | 2023/24 Average Weekly Charge £ | Average Increase/ Decrease £ | Average Increase/ Decrease % | Comments |
|---|---|---|---|---|---|---|---|
| **Service Charges NOT Eligible for Housing Benefit** | | | | | | | |
| Water Charges | 242 | N/A | £4.98 | £5.61 | £0.63 | 13% | The increase is due to forecast inflation increase for water charges. |
| Communal Heating – Electricity | 127 | N/A | £11.77 | £14.35 | £2.58 | 22% | The change is as a result of higher electricity prices and reflects 50% of the utility inflation phased in for 2023/24. |
| Communal Heating – Gas | 1,234 | N/A | £8.13 | £9.92 | £1.79 | 22% | The change is as a result of higher electricity prices and reflects 50% of the utility inflation phased in for 2023/24. |
| Garages and Car Parking | 2,629 | N/A | £9.88 | £10.88 | £1.00 | 10.1% | CPI September inflationary increase. |
| Mobility Scooter and Cycle Storage | 35 | N/A | £2.60 | £2.86 | £0.26 | 10.1% | CPI September inflationary increase. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| **Programme Expenditure** | | | | | | | | |
| **Delivery of New Council Homes** | | | | | | | | |
| Home Purchase Policy | 15,000 | 1,000 | 16,000 | 10,000 | 4,500 | 2,650 | | Continued delivery of the Home Purchase Policy. 2023/24 budget would allow up to 60 properties. 40 properties in 2024/25 and 20 properties 2025/26 and 10 properties in 2026/27. |
| Other Acquisitions | | 5,205 | 5,205 | | | | | Budget for the purchase of properties outside of the Home Purchase Policy, where opportunities and business cases present themselves. |
| Feasibility | 350 | | 350 | 300 | 200 | | | Feasibility budget required to bring forward the new supply pipeline. |
| Converting spaces in existing buildings | 1,730 | 516 | 2,246 | 2,200 | 2,200 | | | Continued delivery of the Hidden Homes scheme where underutilised spaces are converted into new council homes. |
| Design Competition | 682 | 1,625 | 2,307 | | | | | Previous budget approved for Frederick Street and Rotherfield Crescent profiled in the financial |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | years to match the latest deliver programme. |
| Moulsecoomb Hub land | | 9,014 | 9,014 | | | | | The appropriation is expected to take place during 2023/24. The November committee report requested further budget to bring the project up to the planning with final scheme and budget approval to be taken back to committee during 2022.The budget line reflects the approvals given to bring the scheme up to RIBA stage 3. Further detail can be found in the Housing Committee report from 22nd June 2022. |
| Windlesham Close | 1,350 | 685 | 2,035 | 4,341 | | | | Approval given for this scheme at the 1st July 2022, the budget has been profiled to match the latest estimates of the cashflow. |
| Palace Place | | 1,608 | 1,608 | | | | | Approval given for this scheme at the 1st July 2022, the budget has been profiled to match the latest estimates of the cashflow. |
| Belgrave Day Centre, Portslade | 934 | | 934 | 331 | | | | Purchase of 49 homes from HBH LLP at the Portslade site. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Coldean Lane, North of Varley Halls | 6,160 | (813) | 5,347 | 857 | | | | Purchase of 127 homes from HBH LLP at the Coldean site. Final budget lines following the construction of homes during the previous financial years. |
| **Total Delivery of New Council Homes** | **26,206** | **18,840** | **45,046** | **18,029** | **6,900** | **2,650** | | |
| **Improving Housing Quality** | | | | | | | | |
| Main Door Entry Systems & CCTV | 817 | | 817 | 700 | 700 | 700 | 700 | Repair and replacement of Main Entrance Doors. Long term programme of door entry system replacements, as systems fail or reach the end of their serviceable life, with spare parts unable to be sourced. These two programmes are reviewed alongside each other and works coordinated where feasible to ensure value for money. Installation and upgrade of CCTV systems to increase security of blocks. |
| Water Tanks, Ventilation, Lighting & Lightning Protection & Fire Alarms | 1,930 | | 1,930 | 1,600 | 1,490 | 1,500 | 1,580 | Projects help meet statutory requirements and ensure safety and welfare for residents through replacement and improvements. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Lifts | 880 | | 880 | 1,980 | 1,130 | 1,000 | 1,000 | The lift replacement and upgrade programme is a long-term commitment to council residents. The majority of lifts have now been replaced since its inception, and the programme is under ongoing review to ensure it continues to provide good value for money. |
| Fire Safety & Asbestos Management | 3,320 | | 3,320 | 2,590 | 2,590 | 2,390 | 2,390 | Effectively managing the risks of both fire and asbestos materials is an ongoing need. Includes both statutory requirements and provision for enhanced fire safety measures. In particular, including provision for a programme of EWS1 surveys in 23/24. |
| Minor Capital Works | 520 | | 520 | 795 | 810 | 851 | 894 | Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages. |
| Condensation & Damp Works | 500 | | 500 | 280 | 280 | 294 | 309 | Health and welfare of council residents is assisted by tackling issues arising from condensation and damp in properties. The budget for 2023/24 has been increased |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | following the tragic Rochdale Borough Homes case and will keep this budget under review. |
| Major Structural works | 2,338 | 5,760 | 8,098 | 8,383 | 6,500 | 6,300 | 6,200 | Meeting our landlord obligations through maintaining the structural and general external integrity of properties. |
| Major Empty Property works | 220 | | 220 | 220 | 220 | 220 | 220 | Extensive refurbishment of empty homes prior to re-letting. |
| Cyclical Repairs & Decorations | 1,384 | | 1,384 | 1,605 | 1,188 | 1,247 | 1,309 | External and common way repairs and decorations across the city help reduce ongoing costs and keep properties well maintained. Housing Investment and Asset Management team work closely with residents to ensure internal decorations in blocks are consistently delivered across the city. |
| Seniors Housing Improvements | 330 | | 330 | 330 | 330 | 200 | 200 | Meets the identified need from November 2019 to invest in the council's Seniors Housing schemes to improve security, accessibility and address any structural issues identified. |
| Future capital projects | 250 | | 250 | 250 | 250 | 250 | 250 | Specialist and other surveys to support future programmes. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Dwelling Doors | 990 | | 990 | 990 | 990 | 1,040 | 1,092 | Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire-rated doors to dwellings where required. |
| Kitchens & Bathrooms | 2,480 | | 2,480 | 2,590 | 2,590 | 2,720 | 2,856 | This budget helps to ensure homes comply with the Brighton & Hove Standard. |
| Rewiring - Domestic/ Communal | 1,735 | | 1,735 | 1,820 | 1,840 | 1,932 | 2,029 | Safe and reliable and compliant electrical installations and efficient lighting are supported from this budget. |
| Windows | 1,443 | 200 | 1,643 | 2,154 | 2,135 | 2,242 | 2,354 | Window replacement programmes meet the council's landlord obligations, improve energy efficiency, warmth and reduce ongoing repair costs. |
| Roofing | 1,223 | | 1,223 | 1,205 | 1,100 | 1,155 | 1,213 | Helps to extend the life of assets, improves insulation and reduces responsive repairs. |
| **Sustainability & Carbon Reduction** | | | | | | | | |
| Domestic/Communal Heating Improvements | 2,230 | | 2,230 | 2,530 | 2,640 | 2,772 | 2,911 | Efficient and modern replacement heating systems improve thermal comfort, reduce carbon emissions and resident fuel costs. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Energy Efficiency & Low Carbon Heating | 1,670 | | 1,670 | 1,740 | 3,300 | 2,000 | 2,000 | This programme will help take up a range of opportunities to further improve the energy rating of our homes and to identify projects that will help move towards zero carbon from our service delivery activities by 2030. |
| New Solar Panels Programme | 440 | 800 | 1,240 | 1,540 | 1,540 | 1,000 | 1,000 | Project Management support is now in place to deliver the solar PV programme, procurement of a new contract has begun and should be in place Spring 2023. We are planning a 3 year programme delivering up to 1000 new systems, budgets have been re-profiled on this basis. |
| **Tackling Inequality** | | | | | | | | |
| Environmental Improvements | 625 | 100 | 725 | 360 | 360 | 360 | 360 | This budget funds environmental and communal area improvement work based on resident priorities.<br>It also includes provision for the |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| | | | | | | | | refurbishment of housing owned playgrounds (as reported to ETS Committee in January 2021). |
| Disabled Aids & Adaptations | 1,600 | | 1,600 | 1,600 | 1,600 | 1,600 | 1,600 | Enabling vulnerable residents to continue to live independently in their homes through investment in housing adaptations. |
| Conversions & Extensions | 660 | | 660 | 700 | 730 | 750 | 750 | Tackling overcrowding across the city is of key importance to ensure good quality housing. |
| **Total Investment in existing Housing Stock** | **27,585** | **6,860** | **34,445** | **35,962** | **34,313** | **32,523** | **33,217** | |
| **Total Other Projects** | **250** | | **250** | **250** | **100** | **100** | **100** | |
| **Total Programme** | **54,041** | **25,700** | **79,741** | **54,241** | **41,313** | **35,273** | **33,317** | |
| **Programme Funding** | | | | | | | | |
| Revenue Contribution to investment in existing housing stock | 19,358 | | 19,358 | 18,949 | 20,096 | 18,614 | 18,901 | 24/25 to 27/28 figures are illustrative and will be adjusted accordingly as the 30 year business plan is updated. |
| Borrowing | 28,035 | 20,872 | 48,907 | 26,760 | 19,687 | 15,864 | 14,416 | Borrowing required to fund capital investment. |
| HRA reserves | 1,090 | | 1,090 | 4,800 | | | | Useable revenue and capital reserves. |

Appendix 3 - HRA Capital Programme 2023/24 – 2027/28

| | For Approval | *For info* | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **Proposed Budget 2023/24 £'000** | **Profiled Budget 2023/24 £'000** | **Total Budget 2023/24 £'000** | **Provisional Budget 2024/25 £'000** | **Provisional Budget 2025/26 £'000** | **Provisional Budget 2026/27 £'000** | **Provisional Budget 2027/28 £'000** | **Description** |
| Capital Receipts | 750 | | 750 | | | | | Capital receipts for use against new housing delivery. |
| RTB Receipts | 2,028 | 1,074 | 3,102 | 2,652 | 1,350 | 795 | | Retained RTB receipts for New Build. |
| Energy Grants/FITs | 180 | | 180 | 180 | 180 | | | Funding received to support sustainability and carbon projects. |
| Grant Funding | | 2,649 | 2,649 | | | | | Land Release Funding grant received and Homes England grant for the purchase of HBH LLP Properties. |
| Commuted Sums | 1,800 | 300 | 2,100 | 900 | | | | Funding to support the purchase of properties through the Home Purchase Policy. |
| Leaseholder Income | 800 | | 800 | | | | | |
| Earmarked rent reserve | | 805 | 805 | | | | | |
| **Total Funding** | **54,041** | **25,700** | **79,741** | **54,241** | **41,313** | **35,273** | **33,317** | |

## Appendix 4 - HRA Medium Term Financial Strategy and 30 Year Financial Forecast

### Medium Term Financial Strategy (MTFS) 2023/24 to 2027/28

The Medium Term Financial revenue position provides a cumulative surplus of £95.918m that can be used to support the delivery of the Capital Programme during this period. The focus for the Medium Term will remain on delivering the key priorities outlined in the main report. To ensure Value for Money is maintained, an assumption has been made that the Medium Term Financial Strategy will identify efficiencies of c.0.5% per annum of expenditure budgets (excluding financing costs). This will also include a review of all income streams during 2023/24 to ensure the HRA maximises all of its income streams, for example a review of the commercial income.

| | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 |
|---|---|---|---|---|---|
| **Expenditure** | | | | | |
| Management & Service Costs | 23,099 | 24,919 | 25,275 | 25,624 | 25,971 |
| Repairs and Maintenance | 18,226 | 20,331 | 21,332 | 21,709 | 22,076 |
| Other Costs | 1,318 | 1,388 | 1,416 | 1,444 | 1,473 |
| Borrowing costs | 6,493 | 8,170 | 8,714 | 9,581 | 9,939 |
| **Total Expenditure** | **49,136** | **54,808** | **56,737** | **58,358** | **59,459** |
| **Income** | | | | | |
| Rental Income | (59,970) | (64,802) | (67,559) | (67,637) | (68,829) |
| Service Charges (Tenants) | (4,718) | (4,945) | (5,131) | (5,125) | (5,218) |
| Other Income | (3,806) | (4,010) | (4,143) | (4,210) | (4,313) |
| **Total Income** | **(68,494)** | **(73,757)** | **(76,833)** | **(76,972)** | **(78,360)** |
| **Net Revenue Income** | **(19,358)** | **(18,949)** | **(20,096)** | **(18,614)** | **(18,901)** |

## Appendix 4 - HRA Medium Term Financial Strategy and 30 Year Financial Forecast

### 30 Year financial forecast

The introduction of self-financing provided local authorities with the opportunity to develop longer term planning to improve the management and maintenance of council homes. From April 2016, the Welfare Reform and Work Act 2016 required that rents should be reduced by 1% per annum for four years commencing in 2016/17, the final year of this decrease was 2019/20. The government then announced in 2018 that social rents could be increased by a maximum of CPI+1% over a 5-year period commencing in 2020/21. Following these changes for a six-week period from August 2022 to October 2022 DLUHC undertook a consultation with Social Housing providers, reviewing the rent policy and proposed uplift on rents for 2023/24. The result of this consultation was that from 1st April 2023 rents can be uplifted by 7% which is 4.1% lower than if the rent policy of CPI+1% was applied. This is factored into the financial forecast and has enabled a balance to be struck to keep investment stable and providing support for tenants during the current cost of living crisis.

The current financial plan projections shown below continue to provide a viable business plan over 30 years. This is a snapshot based on the 2023/24 budget proposals and is subject to change year-on-year. The overriding assumption is that a projection of costs and income are only included where projects and programmes have received formal Budget Council or Policy & Resources Committee approval.

The plan is designed to give an overview of the financial health of the HRA based on broad assumptions for the long term and current approvals. It is not a detailed plan and therefore surpluses or deficits indicated by the 30-year plan cannot be relied on and only provide a guide as to overall financial sustainability. Many factors can change including the funding and financing regime of the HRA itself. However, the movement in the 30 Year Plan year-on-year can provide a guide as to the direction of travel of HRA finances, particularly when looked at over a period of years.

**Appendix 4 - HRA Medium Term Financial Strategy and 30 Year Financial Forecast**

| | Years 1-5 | Years 6-10 | Years 11-20 | Years 21-30 | Total |
|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| **Expenditure** | | | | | |
| Management & Service Costs | 124,887 | 134,702 | 301,253 | 350,432 | 911,274 |
| Repairs and Maintenance | 103,674 | 116,119 | 264,403 | 315,961 | 800,157 |
| Other Costs | 7,041 | 7,821 | 18,169 | 22,149 | 55,179 |
| Borrowing costs | 42,897 | 65,372 | 137,673 | 148,497 | 394,439 |
| **Total Expenditure** | **278,499** | **324,014** | **721,498** | **837,039** | **2,161,049** |
| **Income** | | | | | |
| Rental Income | (328,799) | (364,526) | (830,560) | (992,463) | (2,516,348) |
| Service Charges (Tenants) | (25,136) | (27,662) | (63,538) | (76,569) | (192,905) |
| Other Income | (20,482) | (23,220) | (55,358) | (69,129) | (168,189) |
| **Total Income** | **(374,417)** | **(415,408)** | **(949,456)** | **(1,138,161)** | **(2,877,442)** |
| **Net Revenue Income** | **(95,918)** | **(91,394)** | **(227,958)** | **(301,122)** | **(716,93)** |
| **Capital Expenditure** | | | | | |
| Capital Investment programme | 171,260 | 154,814 | 313,818 | 307,636 | 947,529 |
| Development | 72,624 | - | - | - | 72,624 |
| **Total Expenditure** | **243,884** | **154,814** | **313,818** | **307,636** | **1,020,153** |
| **Funded By:** | | | | | |
| Other Capital Income | (22,422) | - | - | - | (22,422) |
| Borrowing | (125,533) | (63,420) | (91,041) | (15,875) | (295,870) |
| HRA Reserves | - | (2,064) | (3,922) | (28,328) | (34,313) |
| Direct Revenue Funding | (95,929) | (89,330) | (218,855) | (263,433) | (667,548) |
| **Total Funding** | **(243,884)** | **(154,814)** | **(313,818)** | **(307,636)** | **(1,020,153)** |
| Opening HRA reserves | (3,000) | (3,000) | (3,000) | (8,182) | (3,000) |
| (To) / From Reserves | (0) | 0 | (5,181) | (9,361) | (14,542) |
| **Cash surplus at year 30** | **(3,000)** | **(3,000)** | **(8,181)** | **(17,543)** | **(17,542)** |

## Appendix 4 - HRA Medium Term Financial Strategy and 30 Year Financial Forecast

The 30-year financial forecast has been developed based on the following assumptions:

- General inflation (CPI) is assumed at an average of 2.1% for years 1 to 30.

- Rents are assumed to increase by CPI+1% in 2024/25 and revert to CPI increases thereafter.

- For 2023/24 management and repairs & maintenance are inflated by 10% to reflect the uncertainty in the economic environment currently. Thereafter, management costs are inflated by CPI. Repairs and Maintenance however is assumed to inflate by 5% in 2025/26 and then revert to CPI beyond that.

- The forecast includes the council's commitment to a further 389 homes over a 5-year period; this is in addition to the 479 homes that have been delivered since 2019 up to March 2023. The policies around these homes have received formal committee approval, regarding the budget and rent to be set for the new homes. These include the following programmes:

    1. Home Purchase Policy
    2. Other acquisitions
    3. Hidden Homes
    4. Palace Place
    5. Belgrave Day Centre, Portslade
    6. Coldean Lane
    7. Design Competition (Rotherfield Crescent & Frederick Street)
    8. Windlesham Close

- No assumptions beyond formally approved programmes have been made.

**Items not included**

There are a number of items which have not been included in the financial plan; this is due to the risks and uncertainties around the costs and income associated with them. At this stage the financial landscape is changing significantly for the HRA and so careful consideration of what can be reasonably included has been taken.

- Any new supply of homes that is yet to receive full committee approval is not included. Over the last 12 months the construction landscape has continued to provide significant challenges, creating a high degree of uncertainty around the cost

of investment. As well as this, there is uncertainty with the associated rent levels that can be included in the plan as these have not yet been approved. This could result in a significant difference in the long term financial forecast depending on the rents assumed. The overriding assumption is, normally, that new projects would be self-funding but until this is analysed alongside a strategic housing needs assessment the financial projections remain uncertain. Even small differences between assumptions and final costs can substantially skew long term forecasts. Therefore, at this stage the most prudent approach is to recognise there is a pipeline to deliver new homes but there is insufficient financial certainty for them to be included in the long term forecast. As budgets and rent levels are approved, schemes will be included within the financial forecast.

- Sustainability and retrofit works: currently, over the 30 years there is investment included of £274m within the capital investment programme line an increase of £75m when compared to the 2022/23 version. This is based on the information provided by the Asset Management System which is subject to review and change following the development of the Asset Management Plan. However, over the first 10 years of the plan there is uncertainty over the level of investment required to reach the council's priority of being a carbon neutral city by 2030. The retrofit task force, linked to Greater Brighton, is underway that continues to review the investment required and the funding that may become available from Central Government. As this becomes clearer, the financial forecast can be updated.

- The current investment in existing stock is based on the latest information provided by the council's Asset Management System and informs the cyclical programmes over the 30 years. This is though, subject to review and change based on the outcomes from the Building Safety Act, Social Housing White Paper and the further development of the Asset Management Plan. These are considered high risk and high cost items of which the outcome will be included in future iterations of the financial forecast. Consideration will be given to current budget provision to ascertain if there is already provision that is being made to deal with investment required.

**Appendix 5 - Proposed Travellers Sites Fees and Charges 2023/24**

| | 2022/23 | 2023/24 | | |
|---|---|---|---|---|
| | Charge | Proposed Charge | Change £ | Change % |
| **Travellers Transit Site** | | | | |
| Weekly Rent per pitch | £75.09 | £80.35 | £5.26 | **7%** |
| **Weekly Service Charges** | | | | |
| Litter Picking | £10.24 | £10.93 | £0.69 | **7%** |
| Grounds Maintenance | £2.00 | £2.13 | £0.13 | **7%** |
| Facilities Charges (including toilet/shower block) | £5.82 | £7.13 | £1.31 | **23%** |
| Water Charges | £10.36 | £10.88 | £0.52 | **5%** |
| Electricity Charges | £13.48 | £19.55 | £6.07 | **45%** |
| Total Weekly Service Charges | £41.90 | £50.62 | £8.71 | **21%** |
| Total Weekly Costs per Pitch (Transit) | **£116.99** | **£130.96** | **£13.97** | **12%** |
| **Travellers Permanent Site** | | | | |
| Average Weekly Rent per pitch (Average across 12 pitches) | **£97.26** | **£104.07** | **£6.81** | **7%** |
| - Pitch 1 - Size M | £94.60 | £101.22 | £6.62 | **7%** |
| - Pitch 2 - Size M | £94.60 | £101.22 | £6.62 | **7%** |
| - Pitch 3 - Size L | £101.28 | £108.37 | £7.09 | **7%** |
| - Pitch 4 - Size L | £101.40 | £108.50 | £7.10 | **7%** |
| - Pitch 5 - Size L | £101.40 | £108.50 | £7.10 | **7%** |
| - Pitch 6 - Size X/L | £108.61 | £116.21 | £7.60 | **7%** |
| - Pitch 7 - Size X/L | £108.61 | £116.21 | £7.60 | **7%** |
| - Pitch 8 - Size S | £90.52 | £96.85 | £6.34 | **7%** |
| - Pitch 9 - Size S | £90.52 | £96.85 | £6.34 | **7%** |
| - Pitch 10 - Size M | £94.60 | £101.22 | £6.62 | **7%** |
| - Pitch 11 - Size S | £90.52 | £96.85 | £6.34 | **7%** |
| - Pitch 12 - Size S | £90.52 | £96.85 | £6.34 | **7%** |
| Weekly Service Charges | | | | |
| Litter Picking | £10.39 | £11.12 | £0.73 | **7%** |
| Grounds Maintenance | £1.95 | £2.08 | £0.13 | **7%** |
| Facilities Charges | £0.60 | £0.73 | £0.13 | **23%** |
| Total Weekly Service Charges | £12.94 | £13.93 | £0.99 | **8%** |
| Total Weekly Costs per Pitch (Permanent) | **£110.20** | **£118.00** | **£7.80** | **7%** |

# Brighton & Hove City Council

## Policy & Resources Committee

## Agenda Item 125

**Subject:** **Review of Council Grading Structure**

**Date of meeting:** **9th February 2023**

**Report of:** **Executive Director for Governance, People & Resources**

**Contact Officer:** **Name: Kenneth Simpson – Head of HR (Reward, Policy & Strategy)**
**Tel: 01273 291355**
**Email: Kenneth.simpson@brighton-hove.gov.uk**

**Ward(s) affected:** **All**

**For general release**

### 1. Purpose of the report and policy context

1.1 At the meeting of the Policy & Resources Committee on 7th July 2022 a report was presented which recommended changes to the Council's grading structure affecting approximately 3,800 staff on the lowest grades. These changes resulted in increases in basic salary of between 2% and 9.2% for our lowest paid staff.

1.2 An amendment to the recommendations in this report was passed which asked for a future report to Policy & Resources Committee before Budget Council in 2023, outlining a comprehensive review of staff pay grades and structures right across the council, to identify any changes needed to ensure our staff are paid at competitive rates, and that staff retention and recruitment are made easier

1.3 This report responds to the request from Policy & Resources Committee.

### 2. Recommendations

2.1 That Committee notes the work that has been undertaken and the conclusions set out below.

### 3. Context and background information

3.1 The Council has a long standing commitment to ensuring that its pay and reward package demonstrates how staff are valued and supported to serve the city and ensures a competitive offer that enables effective recruitment and retention. The Council has, for a number of years, been a Real Living Wage (RLW) employer (formerly known as the Voluntary living Wage).

3.2 The council has a package of financial benefits that is kept under review and includes a generous pension scheme, supportive employee loans (such as a

rental deposit scheme) and a variety of staff discounts for travel and other offers including discounts on food shopping and other essentials.

3.3 In October 2021, the Council committed to working with its recognised Trade Unions (Unison and GMB) to develop proposals to remove scale 1/2, the bottom grade of the Council's pay structure, and therefore lifting the Council's minimum rate of pay. Following this the national context changed and the Council became increasingly concerned about the impact of the cost of living crisis on staff and work is ongoing to make sure staff are supported as far as possible.

3.4 As a consequence the discussions with Trade Unions expanded to consider proposals for changes beyond just the deletion of the bottom grade. This culminated in final proposals which were approved at Policy & Resources Committee on 7th July 2022.

3.5 The proposals included an increase in the minimum hourly rate paid by the Council from £9.90 to £10.60, and increases of pay between 2% and 9.2% for approximately 3,800 council staff, many of who are in frontline roles including in schools. These changes were implemented in September 2022 with new higher salary rates backdated to 1st January 2022.

3.6 These proposals achieved a balance between improving the pay of a substantial number of Council staff employed on the bottom grades with cost/affordability.

3.7 Following the request from the Committee to conduct a wider review, this has now been undertaken and considered the issues facing the Council in terms of recruitment and retention of staff and how the Council's pay compares to pay levels in the wider labour market as well as the national context for local government pay. This review has been undertaken in an increasingly challenging financial context, with affordability of options a key factor.

**National Pay Context**

3.8 In November 2022 the national pay award for local government services staff agreed a flat cash increase in salary of £1,925 per annum (pro rata for part time staff) backdated to 1st April 2022. The Council implemented the new rates of pay and the arrears due back to 1st April 2022 in the December payroll and this provided a further substantial increase in pay for our lowest paid staff. This national pay award, combined with the local changes to the Council's pay scales, resulted in increases in the rate of pay of between 10.5% and 19.3% for approximately 3800 staff on the Council's lowest grades.

3.9 Work on reaching an agreement on the 2023 local government pay award between the National Employers and Unions is expected to commence in January 2023.

3.10 There are significant challenges that will need to be considered in future national negotiations that make it problematic to accurately estimate the likely award. These challenges include:

- Significant increases in the Real Living Wage (national legal minimum wage), which could result in the removal of the lowest points on the national pay scales, resulting in the potential for reduced differentials or the need to further restructure the lowest pay scales (the work already completed locally makes it less likely there will be an impact in this council)
- Inflation is still high at 9.2%[1] in the 12 months to December 2022 but expected to reduce to between 5 and 6% by the end of 2023.
- affordability is likely to be a critical issue in this years negotiations.
- Trade Unions likely to be seeking substantial increase given context around cost of living and in the context of unprecedented levels of industrial action nationally linked to pay.

**Recruitment**

3.11 For some time there has been difficulties recruiting across the country. Unemployment is very low although it increased slightly in the last quarter that data is available (as at end of November 2022). Numbers of available vacancies nationally has been at an historic high since 2021 but this peaked in May 2022 and has been on a downward decline ever since. Brexit has also had an impact in terms of potential labour supply. All of this leads to a tight labour market with employers competing for staff which has contributed to greater pay growth.

3.12 However it is predicted that the UK will be in recession during 2023. The impact of this on the labour market is unknown. Unemployment is anticipated to rise a little and the number of employers that are expecting to need to make redundancies is slightly increasing although from a low base.

3.13 The level of recruitment in the Council has been at an unprecedented level since the start of the Covid-19 pandemic and the Council has experienced difficulty recruiting across the board and in areas where this has traditionally not been a problem. However restrictions to recruitment that have been put in place in order to address significant in year budget pressures and the extremely challenging ongoing financial climate in future combined with the wider economic outlook may well reduce some of these difficulties.

3.14 In order to respond to the increasingly competitive environment, the Council is implementing a new model to develop a more strategic approach to recruitment and investing in our recruitment function to develop more strategic and professional capacity to lead on developing our marketing and employer branding strategy, providing greater professional support for recruitment campaigns and ensuring our processes are as efficient as possible.

[1] Office for National Statistics (ONS), released 18 January 2023, ONS website, statistical bulletin, Consumer price inflation, UK: December 2022

**Retention**

3.15 The Council's rate of turnover (ie the percentage of employees who left the Council's employment) as at end of September 2022 was 12%. This has remained broadly static for some years with only a slight up tick in the last year. This rate of turnover is reasonable and in line with public sector averages.

**Pay Benchmarking**

3.16 The Council subscribes to a benchmarking facility provided by South East Employers which currently enables the Council to benchmark pay across 113 roles in 11 other local authorities in the south east.

3.17 This data shows us that across the roles that we benchmark against, there is a mixed picture in terms of whether the Council is paying above or below the south east average. In posts graded below management/professional grades most of our roles benchmark better than the south east average. Above this approximately three quarters of our roles benchmark below the south east average. A chart showing the benchmarking data is shown in **Appendix 1.**

**Market Supplements**

3.18 The Council can pay an additional market supplement in relation to posts where there are difficulties recruiting which are having a serious impact on service delivery and where pay is a factor that is impacting the ability to recruit because the normal rate the Council pays the for the role is not competitive. Market supplements are approved following a thorough business case that sets out the evidence to support the payment of a supplement.

3.19 The Council currently applies a market supplement to approximately 25 roles across the Council with the majority in children's social work roles. Most of the roles in the benchmarking analysis described above that are paid below the South East average do not have market supplements applied.

**Conclusions**

3.20 The Council has recruitment difficulties in certain areas, mainly in specific specialist or professionally qualified roles, most of which are long standing and where many Councils struggle to recruit. More recently there have been wider difficulties recruiting across a much wider range roles than usual linked to the national labour shortages.

3.21 While recruitment has been particularly difficult in the most recent period, there is some uncertainty going forward as to the economic and labour market outlook that may affect levels of unemployment and labour supply as well as the very significant financial climate for the Council. In addition with the exception of one service area there have been no new market supplements requested. The Council is also implementing a new recruitment model which will increase the professional recruitment expertise

and support for the organization to maximise our success at attracting a diverse and skilled range of candidates.

3.22 The Council has substantially invested in raising pay levels in the lowest grades in the Council which will have aided recruitment and the benchmarking data suggests that for the majority of roles at this level the Council pays in line with or better than the South East average.

3.23 The conclusion of the review that has been undertaken is that further structural change to the Council's pay and grading structure should not be pursued at this time. The biggest challenges the Council faces are in relation to particular roles where it is especially difficult to recruit, market pay is a material factor contributing to the issue and there is serious impact on service delivery as a result of the difficulty recruiting. The Market Supplement Policy is the mechanism the Council has to respond to such issues.

3.24 The Council is currently undertaking a review of the Market Supplement Policy and consulting with Trade Unions on this and this review will be completed before 31st March 2023.

3.25 The very difficult financial context for the Council and schools also substantially limits the Council's ability to make material changes to the Council's pay structure. The Council will further consider the design of our pay and grading structure in the next financial year and the options there may be for taking a different approach and consider this in the context of the Medium Term Financial Strategy and a need to review the number of management grades.

3.26 As part of Our People Strategy to be launched this year we will maintain a clear focus on continuing to review, develop and communicate our non-pay benefits package as well as continued work on financial wellbeing.

## 4. Analysis and consideration of alternative options

4.1 The Council could look to make changes to the Council's grading structure to address some of the market pay issues the Council faces and ensure more of our roles are paid better compared to other council's. However any viable option would require very substantial additional funding being allocated in the context of a very difficult and very uncertain financial situation.

## 5. Community engagement and consultation

5.1 The Council has sought the views of Trade Unions.

5.2 Trade Union colleagues have raised many issues around pay over the last two years, including increasing concerns about cost of living in the city. These concerns were responded to by the council and were a significant driver for the low pay changes implemented by the Council as described in paragraphs 3.1 to 3.6. The Council also continues to review and develop its

package of non pay benefits and support in relation to financial wellbeing such as the successful launch in 2022 of a Rental Deposit Loan Scheme.

5.3 Whilst several improvements have been made in response to concerns, there continues to be a view from Trade Unions that the grading structure is flawed and that in some areas pay compares unfavourably to other councils. The Trade Union's view is that this should be addressed with a redesign of the grading structure to lift pay. Specifically, Trade Unions have said the Council needs to look at the pay for staff on scales 5 and 6 (the next two grades up from those improved in 2022).

5.4 Paragraphs 3.16 and 3.17 in this report describes the pay benchmarking that has been undertaken comparing roles in a number of south east local authorities. This information shows a mixed picture and explains that the Council has some roles which benchmark less favourably against the reference group, particularly higher up the pay scales. However not all roles benchmark unfavourably, and where pay is lower than market pay, not all roles have difficulty recruiting or the same level of impact on critical service delivery. Roles at scale 5 and 6 benchmark relatively favourably in the benchmarking data.

5.5 The Council also needs to balance affordability against the challenges that recruitment difficulties can create and section 4 clarifies the very challenging financial context for making wholesale changes to the grading structure. There is a mechanism to address acute problems with recruiting where market pay is an issue and the Market Supplement Policy is being reviewed.

5.6 TU colleagues continue to be involved in reviewing and improving our employment offer through our staff consultation mechanisms, and specifically are currently being consulted on the review of the Market Pay supplement policy.

## 6. Financial implications

6.1 There are no direct financial implications arising from the recommendation of this report. Staff pay is a significant proportion of council expenditure across schools, the Housing Revenue Account and the General Fund and therefore any changes to pay can have significant financial implications. The changes to the grading structure approved at July 2022 Policy & Resources Committee and the National Pay award for 2022/23 have been reflected in Targeted Budget Management reports to this committee and are included in budget estimates for 2023/24.

6.2 The budget setting process for future years includes an estimate of the average percentage increase for pay awards and this is ultimately determined by nationally agreed settlements. Any options for amending the current pay structure must be considered in the context of affordability. The councils challenging financial position for future years is detailed in Budget reports elsewhere on this agenda.

Name of finance officer consulted: James Hengeveld

Date consulted (25/01/2023):

## 7. Legal implications

7.1 There are no legal implications arising from the information noted in this report. If the Council wished to make decisions impacting on staff pay, this would need to follow appropriate consultation with staff and Unions and comply with relevant legislation.

Name of lawyer consulted: Elizabeth Culbert Date consulted (25/01/2023):

## 8. Equalities implications

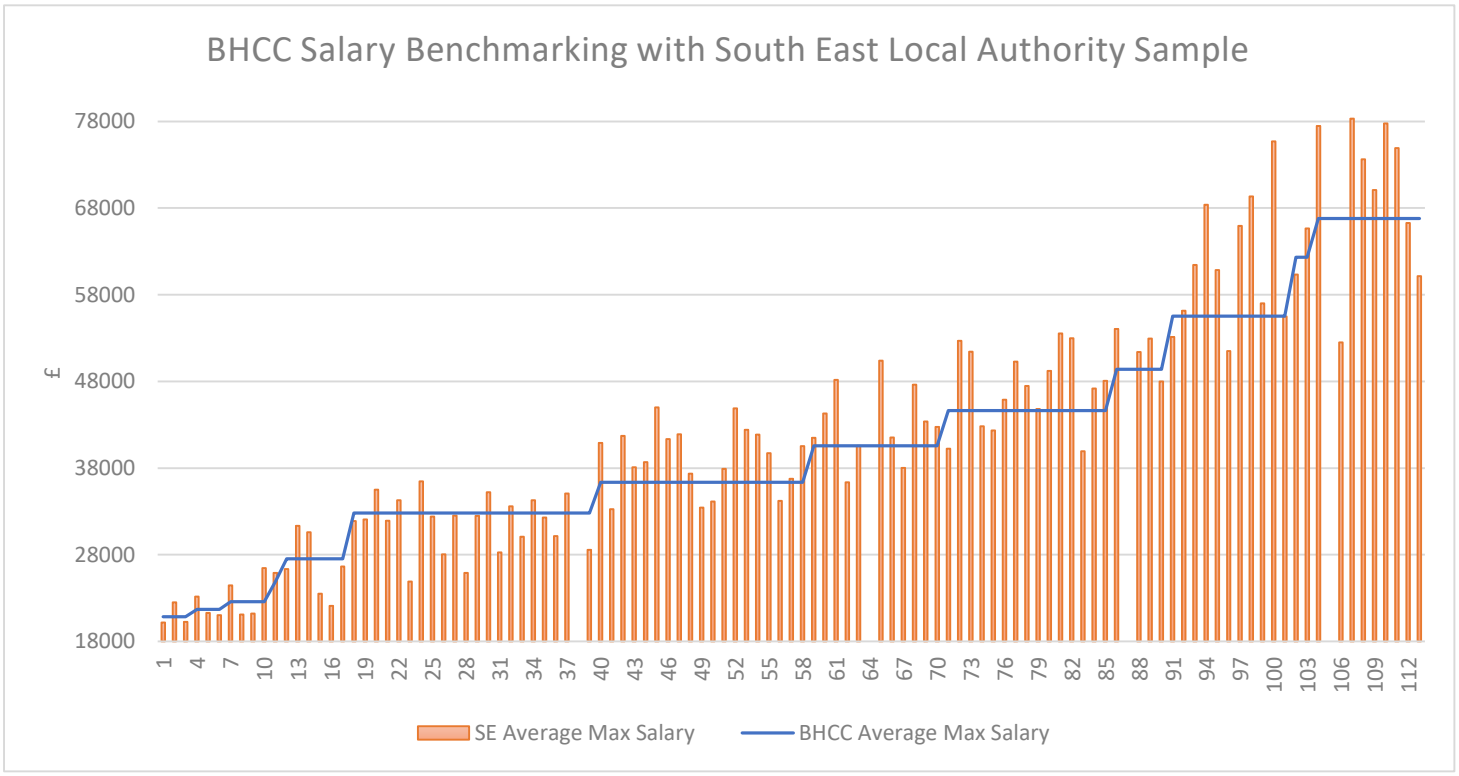
**8.1** There are no direct equalities implications arising from the recommendations in this report. The review of the Market Supplement Policy that is referred to will factor in and ensure relevant equalities issues are considered, particularly related to equal pay. An equalities impact assessment will also be completed in relation to that piece of work.

## Supporting Documentation

Appendix 1 – Salary Benchmarking

**Appendix 1 – Salary Benchmarking**

This chart compares the average maximum basic salary of 113 different roles across 11 local authorities in the South East region with the maximum basic salary of the same/similar roles that exist in Brighton & Hove City Council
Each vertical orange bar represents the South East average maximum salary for a role and the blue line represents the maximum salary for the equivalent role in Brighton & Hove.
Where the orange bar rises above the blue line this means the Brighton & Hove salary for a role is less than the South East average. Conversely where the orange bar stops below the blue line, this means the Brighton & Hove salary is above the South East average.




South East Local Authorities included are:

Portsmouth City Council
Waverley Borough Council
Buckinghamshire Council
Swale Borough Council
Maidstone Borough Council
Arun District Council
Isle of Wight Council
New Forest District Council
Runnymede Borough Council
Elmbridge Borough Council
East Sussex County Council

# Brighton & Hove City Council

## Policy and Resources Committee

## Agenda Item 126

**Subject:** **Adult Social Care Charging Policy**

**Date of meeting:** **09 February 2023**

**Report of:** **Executive Director, Health & Adult Social Care**

**Contact Officer:** **Name: Angie Emerson**
**Tel: 01273 295666**
**Email: angie.emerson@brighton-hove.gov.uk**

**Ward(s) affected:** **All**

**For general release**

### 1. Purpose of the report and policy context

1.1 To consider the proposal that charges for the Council's carelink service should increase by 10% with effect from April 2023.

### 2. Recommendations

2.1 That Committee approves an increase of 10% to the current carelink charges with effect from April 2023. (See table below)

### 3. Context and background information

3.1 A report was taken to the Adult Social Care and Public Health Sub-Committee on 10th January which contained a number of recommendations to increase various charges for in-house council services. All charges were recommended to increase by 10% (rounded) with the exception of Carelink Charges. The recommendation for Carelink increases was 6%. The reason for the lower increase for this particular service was based upon mitigation to the risk that some people might cancel their existing service or decline to take up the service in future and this could lead to an increased need for other resources.

3.2 Committee members approved the 10% increase for all other service charges but did not agree to the recommendation of a 6% increase for Carelink charges. Instead, the ASCPH Sub-Committee received and agreed to an amendment to the report recommending an increase of 10% (rounded) in line with all other increases to in-house social care services. The report did not quantify the potential number of cancellations nor the cost that might be incurred so the revised recommendation of a 10% increase required a further report to Policy and Resources Committee.

3.3 Current and proposed increases to Carelink Charges:

| | 2022-23 | 2023-2024 +6% | **2023-24 + 10%** |
|---|---|---|---|
| Standard Carelink Plus | £20.30 per month | £21.50 | **£22.30 per month** |
| Enhanced Carelink Service | £24.30 per month | £25.80 | **£26.70 per month** |
| Exclusive Mobile Phone | £26.30 per month | £27.90 | **£28.90 per month** |

## 4. Analysis and consideration of alternative options

4.1 The alternative option could be to increase carelink by 6% as originally proposed.

4.2 The council's Carelink Service is considered an excellent preventive service which often reduces the need for more expensive service options such as agency home care and residential care as well as the potential need for ambulances and hospital care.

4.3 This information is provided on the BHCC website:
CareLink Plus alarm and telecare service (brighton-hove.gov.uk)

### *CareLink Plus alarm service*

CareLink Plus is Brighton & Hove City Council's telecare alarm service. Telecare describes a range of services and equipment that allow you to call for help in an emergency. This could be in and outside the home. Telecare can increase your independence and help you feel safe. You can apply for an alarm that's worn round your neck or wrist. If you fall, feel unwell or need help in an emergency, you can call for help by pressing a button on the alarm. Telecare can help:

- if you're likely to fall
- keep you safe from fire, carbon monoxide and flood
- keep you safe at home during the day and night
- keep you safe when you're out and about
- support your family or carers
- if you have a health condition like dementia or epilepsy

Most telecare devices connect you to a CareLink staff member. They are available 24 hours a day, 7 days a week.

4.4 The Carelink service is provided and part-funded by the council and the net cost to the council after income from charges is proposed to increase from £430k in 2022/23 to £536k in 2023/24 (an increase of 25%). The increase mainly relates to additional staff costs and include the pay award.

4.5 Approximately 2,120 people are charged for the carelink service in accordance with the fees listed above. Others have a free service due to low income or financial hardship.

4.6 The projected income from client charges is currently £540k per annum. At current activity levels, if fees are increased by 6% the additional income will be £32k per annum and if increased by 10% the additional income would

be £54k per annum. The difference in income is therefore £22k per annum based on the differential percentage rates.

4.7 In light of the challenging financial position the council is facing, it is recommended that the council applies and increase aligned to the current inflation rate to Carelink.

4.8 Carelink keep a log of cancellations and around 12% of those relate to financial reasons (approximately 250 people). Some people are deterred from accepting this service due to affordability but this data is not available. There is a risk that if people resort to calling on other services due to their vulnerability, illness or falls, the cost to the council and/or the NHS could be significantly higher than the additional income we expect to receive by increasing fees by 10%. However, it is not possible to provide an accurate estimate, either for the additional number of people who may cancel the service (expected to be a further 3% - approximately 65 people) or the effect of an increase of 6% or 10% on the potential number of cancellations. It is not possible to estimate the potential escalation of future costs as a possible result due to carelink cancellations. HASC will monitor the rate of cancellation on a monthly basis to determine whether there is a significant increase above the current position and should this arise will report back to Adult Social Care and Public Health Sub Committee for consideration.

4.9 There are other mitigations. Carelink can offer advice and guidance around finances and benefit claims to maximise income and can also offer a hardship assessment which may lead to a nil charge for Carelink and prevent cancellations.

## 5. Community engagement and consultation

5.1 The Carelink Service sends out an annual survey regarding service user satisfaction. Returns from a recent survey showed that approximately 86% of those who replied felt this service was good value for money

## 6. Conclusion

6.1 The ASCPH sub-committee agreed to a Labour amendment to the earlier report and recommended an increase in fees of 10% for the council's carelink service. Whilst there is a legitimate concern regarding the risk that customers will cancel their service or decline future services when advised of the cost, which may have the effect of calling on other more costly services instead, it is not possible to quantify this risk. There will be mitigating actions to limit the impact of the 10% increase and on balance it is recommended that the increase of 10% to Carelink charges is agreed.

## 7. Financial implications

7.1 Charges for Adult Social Care services within this report have been reviewed in line with the Corporate Fees & Charges Policy and budget guidance. This is to ensure that fees and charges are appropriately

benchmarked to comparative services and recover the full cost of service wherever possible.

Based on current activity levels, a 6% uplift will deliver the level of income assumed in the 2023/24 budget strategy. An uplift of 10% is projected to generate an additional £0.022m per annum. However, the level of income is variable based on demand and client contributions are determined on a means tested basis.

7.2 Any net reduction in clients contributing to the service will impact on overall income received. There are also possible additional long-term costs to the Council from clients who may choose to cease using the Carelink service.

Name of finance officer consulted: Sophie Warburton Date consulted: 17/01/2023

## 8. Legal implications

8.1 As described in the body of this report this decision was agreed by Adult Social Care and Health Committee following an amendment to increase the charges for Carelink from 6-10%, subject to approval by Policy and Resources Committee due to the potential impact on resources and budgetary considerations.

8.2 Paragraph 4.2 of the report refers to “preventative services”. Section 2 of the Care Act 2014 imposes a duty on the local authority to provide or arrange for the provision of services, facilities or, or take other steps, which it considers will contribute towards preventing or delaying the development of, or reduce the need for, care and support for adults in its area.

Name of lawyer consulted: Sandra O’Brien Date consulted 17/01/23

## 9. Equalities implications

9.1 There are no equality issues as this service is universally available to those who want or need it.

## 10. Sustainability implications

10.1 There are no sustainability issues.

## 11. Other Implications

11.1 There are no other implications

**Crime & disorder implications:**

11.2 No Implications

**Public health implications:**

11.3 There are no other implications than those included above

**Supporting Documentation**
**None**

# Brighton & Hove City Council

## Policy and Resources Committee

## Agenda Item 127

**Subject:** City Development and Regeneration
Building Regulations Application Fees

**Date of meeting:** 9th February 2023

**Report of:** Executive Director of Economy, Environment and Culture

**Contact Officer:** Name: various
Tel: various
Email: various

**Ward(s) affected:** All

**For general release**

### 1. Purpose of the report and policy context

1.1 The Tourism, Equalities, Communities and Culture Committee (TECC) considered a report reviewing fees and charges for 2023/24 at its meeting on 12th January. The officer proposal for planning and building control fees recommended an uplift of 6%. Via an amendment, the TECC Committee agreed to propose an increase of 10% to the Policy and Resources Committee. This report provides advice to the Committee regarding the risks of increasing charges beyond the recommended 6%.

### 2. Recommendations

2.1 That Committee agrees that planning and building control fees for 2023 be increased by 6%.

2.2 That Committee agrees for this increase to then be implemented with immediate effect in the current financial year 2022/23 allowing for lead in time to update systems, charging methods and notice periods.

### 3. Context and background information

3.1 As part of the budget setting process, changes to fees and charges are agreed through relevant Committee meetings. The management of fees and charges is fundamental both to the financial performance of the City Council and the achievement of corporate priorities. The Council's Corporate Fees and Charges Policy requires that all fees and charges are reviewed at least annually. In addition, these should normally be increased in line with the cost of providing the service to maintain income in proportion to net cost.

3.2 The Corporate Fees & Charges Policy also stipulates that increases above or below a 'corporate rate of inflation' should be approved by committee. However, it should be noted that the corporate rate of inflation (3%) is not a

default rate of increase and is a financial planning assumption only, set early in the financial year. It should not therefore determine actual increases which should normally reflect current inflation rates and cost increases. This ensures that income is maintained in proportion to expenditure.

3.3` If proposed fees & charges recommended in the report are not agreed at the service committee, or if the committee wishes to amend the recommendations, then the item will normally need to be referred to the Policy & Resources Committee meeting to be considered as part of the overall budget proposals. This is because the draft and final budget proposals are developed on the assumption that fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, may have an impact on the overall budget proposals, which means it would need to be dealt with by Policy & Resources Committee. However, this does not fetter the committee's ability to make alternative recommendations to Policy & Resources Committee.

3.4 The proposal to TECC was to increase the Planning (pre-application and planning performance agreement) and Building Control Fees by 6.0%. In terms of context, Building Control operates in competition with the private sector and works hard to deliver a quality professional service that maintains its market share.

3.5 At its meeting on 12th January, the Tourism, Equalities, Communities and Culture Committee resolved:
*That Committee agrees to refer the proposed fees and charges in paragraphs 3.5–3.10 relating to Building Regulation Application fees, Pre-Application Planning Advice Service and Planning Performance Agreements to Policy & Resources Committee in order to consider increasing them by 10% rather than 6%, and for this to then be implemented with immediate effect in the current financial year 2022/23 allowing for lead in time to update systems, charging methods and notice periods.*

3.6 Officers are concerned that a price increase of 10% is not viable and via this report provides advice to the Committee on the potential risks of increasing the charges beyond the recommended 6%.

3.7 Since 2017, the building control fee schedule (which is used to charge circa 90% of projects commissioned annually) has been subject to two fee reviews and above inflation increases agreed through the budget process. This has resulted in fee rates for the various types of projects increasing by 39% over the last 5 years; during which time inflation was running at circa 1 to 2% per annum.

3.8 The last fee review in 2019 benchmarked Brighton and Hove charges against five unitary councils (Bristol, Medway, Thurrock, Southampton & Southend) as their rates were deemed more comparable than the lower rates generally set by Sussex councils. The review identified that the service in Medway (which is a shared service serving 700,000 residents also in Gravesham, Canterbury and Swale) charged on average the highest fees in the cohort. The increases agreed through that 2019 process still set rates below those charged in Medway.

3.9 The proposed 10% fee increase recommended by TECC Committee has

been modelled against the comparable fee rates in Medway. This shows that the new fees would be circa 21% higher than their current charges. A small sample of frequently commissioned project types (extensions and conversions) has also been compared against fees in the London Borough of Wandsworth (population 330k), which shows that Brighton and Hove proposed new fees (with the 10% uplift) would be around 11% higher than their current charges.

3.10 As set out above, the council provides building control services in competition with the private sector. This was introduced by central government through the Building Act 1984 and there are currently around 80 firms operating nationally across England and Wales providing services in competition. The council still has to pay for the cost of some statutory services (e.g. the building control register of all projects notified, dangerous structures, demolition notices etc) through the General Fund.

3.11 Following the tragic Grenfell fire, the private sector is increasingly targeting smaller projects, due to the overheads attached to working on complex schemes with a high risk liability. Greater competition in the Brighton and Hove traditional market has seen the council's Building Control Service's estimated market share continue to decline (59%), which remains below the average for other Sussex councils (62%.) Commercial market intelligence in relation to the fees charged by the private sector is very difficult to reliably ascertain.

3.12 In order to deliver current budget aspirations, there is not currently a budget for sales and marketing for new business. The focus for business development is therefore on protecting the existing customer base (through good service delivery and client relationship management with the most active building firms), reacting to tender invites as a supplier for major developments and securing appointments on all council projects. However, the business plan for Building Control is kept under constant review, and officers will explore whether a spend to save proposition to develop a formal marketing strategy could strengthen demand and allow the team to raise prices by more in future years.

3.13 For these reasons, it is considered that a further increase in building control fees beyond 6% will undermine the competitiveness of the service and is likely to have an adverse impact on market share and potential income to the council. This is within the context of the overall size of the current development market also shrinking, due to post Covid impacts and the recession. This reduces the market opportunities for providing services on new, large and complex developments as well as fewer new projects in the householder improvement category. New planning applications for householder projects in the city have fallen by 20% in the first three quarters of 2022/23, partly as a result of the increase in interest rates.

3.14 Full details of the existing building control fees are set out on the council's website: Building Regulations Application Fees 2022/23. This is the main route for promoting the service is where developers will seek out information on Building Control Fees and Charges.

3.14 The fees and charges proposal to TECC Committee was also to increase the fees for planning pre-application advice and planning performance agreements (PPA - a framework between the local planning authority and the applicant about the process for considering a major development proposal) by 6.0%. These services are optional and developers are not required to arrange an agreement with the local planning authority. This increase is required to fully recover costs associated with providing the service.

3.15 Officers believe that a 10% increase on planning (pre-app and PPA) will deter potential customers in the development sector going through recession and where central government has indicated it will mandate an increase to statutory planning application fees (date to be confirmed). Targets for achieving income against these areas are already challenging and will not be achieved in 2022-23. A further consequence of the sector not taking up pre-app advice, if they are deterred by high prices, is likely to be additional unpaid work for officers to resolve unsatisfactory proposals and increased appeals. It is in the interests of the council to set the pre-app and PPA fees at a reasonable level.

3.16 Full details of the existing planning pre-application advice fees are set out on the council's website: https://www.brighton-hove.gov.uk/planning/planning-applications/pre-application-planning-advice-service

## 4. Analysis and consideration of alternative options

4.1 The combined income budget in 2022/23 is £1.265m. An increase of 6% would generate an additional £0.038m, whilst a 10% increase would generate a theoretical additional £0.088m towards covering the costs of the services, on top of the increased income generated by the corporate inflation increase of 3% (£0.038m). However, there are concerns the building control fee increase will have an adverse impact on market share (due to cumulative increases in fees over recent years). The planning pre-app and PPA targets are not being met in 2022/23 and this position may worsen if fees are increased significantly.

## 5. Community engagement and consultation

5.1 There has been no community engagement and consultation on this report. However, there has been benchmarking work undertaken against comparator authorities.

## 6. Conclusion

6.1 As set out in paragraphs 3.6 to 3.16, officers consider that a fee increase of 10% carries a high level of risk and recommends the increase be limited to 6%.

## 7. Financial implications

7.1 For planning pre-application advice and PPAs an increase of 6% would generate an additional £0.010m whilst a 10% increase would generate a theoretical additional £0.023m towards covering the costs of the services, on top of the increased income generated by the corporate inflation increase of 3%. However, the service is already underachieving in fees against the current year's income target for planning pre-application advice and PPAs by approximately £0.120m. The advice from the service is that a 10% increase will have a negative impact and is likely to result in reduced demand for the service.

7.2 An increase of 6% in building control fees, where there is direct competition with private sector service providers, would generate an additional £0.028m whilst a 10% increase would generate a theoretical additional £0.065m and lead to a cumulative increase in fees of 39% across recent years. This service is also underachieving against budget in the current year by approximately £0.118m.

7.3 Agreeing the increase of 6% would meet the target already assumed in the general fund budget.

*Name of finance officer consulted: Jill Scarfield Date consulted 31/01/2023:*

## 8. Legal implications

8.1 Local planning authorities may charge for providing discretionary services under section 93 of the Local Government Act 2003. Where charges are made they must not exceed the cost of providing the service. The Building (Local Authority Charges) Regulations 2010 allow the Council to fix building control charges provided it has as its overriding objective the need to balance as nearly as possible the costs of the services provided with the income derived from those services.

*Name of lawyer consulted: Alice Rowland Date consulted : 26/01/23*

## 9. Equalities implications

9.1 Management of fees and charges is fundamental to the achievement of council priorities. The council's fees and charges policy aims to increase the proportion of costs met by the service user. Charges, where not set externally, are raised by corporate inflation rates unless there are legitimate anti-poverty considerations.

## Sustainability implications

10.1 There are no direct sustainability implications arising from the recommendations in this report.