

# Audit, Standards & General Purposes Committee

Date: **23 September 2025**

Time: **4.00pm**

Venue **Council Chamber, Hove Town Hall**

Members: **Councillors:** West (Chair), Loughran (Deputy Chair), Atkinson, Baghoth, Guilmant, Helliwell, Hewitt and Meadows

**Co-optees:** David Bradly (Independent Person), Barbara Beardwell (Independent Person) and David Gill (Independent Person)

Contact: **Grace Leonard**  
01273 29 1065  
grace.leonard@brighton-hove.gov.uk

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# AGENDA

## PART ONE

Page

### 16 PROCEDURAL BUSINESS

- (a) **Declarations 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 press and public. A list and description of the exempt categories is available for public inspection at Brighton and Hove Town Halls and on-line in the Constitution at part 7.1.*

### 17 MINUTES

7 - 12

To consider the minutes of the meeting held on 24 June 2025.

Contact Officer: Grace Leonard

### 18 CHAIR'S COMMUNICATIONS

### 19 CALL OVER

- (a) Items 22-27 will be read out at the meeting and Members invited to

reserve the items for consideration.

- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

## 20 PUBLIC INVOLVEMENT

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

- (a) **Petitions:** to receive any petitions presented to the full council or at the meeting itself;
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the Wednesday 17 September 2025;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the Wednesday 17 September 2025.

## 21 MEMBER INVOLVEMENT

To consider the following matters raised by councillors:

- (a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;
- (b) **Written Questions:** to consider any written questions;
- (c) **Letters:** to consider any letters;
- (d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

## 22 INTERNAL AUDIT AND COUNTER FRAUD QUARTER 1 PROGRESS REPORT 2025/26 13 - 38

*Contact Officer:* Carolyn Sheehan  
*Ward Affected:* All Wards

## 23 GLOBAL INTERNAL AUDIT STANDARDS SELF- ASSESSMENT AND QUALITY ASSURANCE AND IMPROVEMENT PLAN 39 - 54

*Contact Officer:* Carolyn Sheehan  
*Ward Affected:* All Wards

## 24 ANNUAL HOUSING COMPLAINTS REPORT AND SELF ASSESSMENT 55 - 102

*Contact Officer:* Justine Harris *Tel:* 01273 293772  
*Ward Affected:* All Wards

## 25 PROGRESS REPORT ON BUDGET SETTING 103 - 136

*Contact Officer:* John Hooton

Ward Affected: All Wards

**26 WHISTLEBLOWING - INTERIM UPDATE 137 - 142**

Contact Officer: Victoria Simpson  
Ward Affected: All Wards

Tel: 01273 294687

**27 STANDARDS UPDATE 143 - 150**

Contact Officer: Victoria Simpson  
Ward Affected: All Wards

Tel: 01273 294687

**28 ITEMS REFERRED FOR COUNCIL**

- (1) To consider items to be submitted to full Council for information.

*In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, any Group may specify one further item to be included by notifying the Chief Executive no later than 10am on the eighth working day before the Council meeting at which the report is to be made, or if the Committee meeting take place after this deadline, immediately at the conclusion of the Committee meeting*

**29 ITEMS FOR THE NEXT MEETING**

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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.

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### **FURTHER INFORMATION**

For further details and general enquiries about this meeting contact Grace Leonard, (01273 29 1065, email [grace.leonard@brighton-hove.gov.uk](mailto:grace.leonard@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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- 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**  
**AUDIT, STANDARDS & GENERAL PURPOSES COMMITTEE**

**4.00pm 24 JUNE 2025**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor West (Chair) Baghoth, Guilmant, Helliwell, Hewitt and Meadows

**Other Members present:** Councillors Allen and Taylor

**PART ONE**

**1 PROCEDURAL BUSINESS**

**1a Declarations of substitutes**

1.1 There were none.

**1b Declarations of interests**

1.2 There were none.

**1c Exclusion of the press and public**

1.3 In accordance with Section 100A of the Local Government Act 1972 ("the Act"), the Committee considered whether the public should be excluded from the meeting during consideration of any item of business on the grounds that it is likely in view of the business to be transacted or the nature of the proceedings, that if members of the public were present during it, there would be disclosure to them of confidential information as defined in Section 100A (3) of the Act.

1.4 **RESOLVED** - That the public not be excluded from the meeting.

**2 MINUTES**

2.1 **RESOLVED** – That the minutes of the previous meeting held on 22 April 2025 be approved and signed as the correct record.

**3 CHAIR'S COMMUNICATIONS**

3.1 The chair provided the following communications:

First of all, I'd like to say welcome to Councillor Hewitt who is a new member of the committee. Just to say what we do here is a bit different to what the Cabinet does and what the old executive committees used to do. Although we have a general purposes element and we do set some policy and it's quite exciting when we do get the opportunity. Mostly speaking our role is one of oversight to make sure that the processes we overlook in the case of audit and member standards are being conducted correctly. We act as a critical friend to the organisation. We all obviously want the Council to succeed, and times are challenging and that becomes none the easier as a result. So our role really is to ask the difficult questions at times as well because we do really need to hear the management and administration's response to what the auditors are finding. This isn't done in a hostile way, it is done in a constructive way. There can be political challenge at times but generally speaking that's what we're trying to do. So it's for all members of the committee to make sure that they feel open and available to asking those questions of the administration so that we can see continual improvement for the organisation.

We have two external audit reports today before us, as well as an internal audit report including the annual opinion. So all of those pertain to 24-25. The external audit reports carry recommendations that the committee might raise additional matters that it considers may impact on the external audit work to come. To better help us inform that opportunity, I've suggested we take the internal audit report first because there will be matters arising out of that which we may then, as members, choose to raise with external auditors. I think the order is important in that, so our first report will be the internal report and then we go to the external reports.

The External Audit findings report is unlikely to be available for our September meeting, and it will be good to discuss this sooner than our January meeting, which is the subsequent meeting, so that the report is able to best inform the budget setting process for 26-27. In order for us to consider the audit findings in a timely way and also to agree the audited statement of accounts that needs to be lodged, as this has to happen before our January meeting is held. It's been suggested and I've agreed that we have an additional meeting, a special meeting, in November so we can best time this. I know the members have now received an invitation, that is the explanation for the reason for doing so.

We're joined today by Councillor Allen, Councillor Allen is the Lead Cabinet Member for Customer Services and Public Realm, which includes council's transformation and improvement work, in attendance today I think specifically to talk through the Annual Governance Statement item. But I'm fully aware there may be other questions that arise that you may wish to help respond to.

We have Councillor Taylor as well, the Cabinet member for Finance and Regeneration, who has specifically requested to be present to be able to speak to the New England House report and again I'm sure there will be other matters you can present before you, you've responded to some of the questions particularly with internal audit. You're very welcome, it's great to see you. We also have the Chief Executive here to introduce that New England House report.

We were due to consider a report this time on Housing Complaints, and this is a new responsibility for the committee. I felt that we actually needed some training before we



considered it. It was a pretty weighty report in unfamiliar territory for myself. So I've asked for that to come to us in September, because there was no particular urgency on that. September will be soon enough, so we'll have that then. Meanwhile, we're promised a briefing from officers to introduce us to what that's all about. We're looking forward to receiving that.

#### **4 CALL OVER**

- 4.1 The Democratic Services Officer called the agenda items to the committee. All items were reserved for discussion.

#### **5 PUBLIC INVOLVEMENT**

- 5.1 No public representations were received.

#### **6 MEMBER INVOLVEMENT**

- 6.1 No member representations were received.

#### **7 EXTERNAL AUDIT PLAN 2024/25**

- 7.1 The committee considered the External Audit Report which sets out an overview of the planning scope and timing of the council's statutory external audit for the financial year ending 31 March 2025.

- 7.2 Councillors Hewitt, Meadows, and West asked and contributed to the debate of the report.

#### **7.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee note the external audit plan document, having considered whether to notify the external auditor if there are any additional matters that it considers may also impact on the planned audit work and context for the financial year ending 31 March 2025.

#### **8 INFORMING THE EXTERNAL AUDIT RISK ASSESSMENT 2024/25**

- 8.1 The committee considered report Informing the Audit Risk Assessment 2024/25, the report sets out audit queries and the 51 management responses covering general enquires of management, fraud, laws and regulations, related parties, going concern and accounting estimates.

- 8.2 Councillors Guilman and Meadows asked questions and contributed to the debate of the report.

#### **8.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee:

- 1) Note the audit risk assessment document.

- 2) Indicates which (if any) additional matters it considers should be notified to the external auditor on the basis that they may also impact on the planned audit work and context for the financial year ending 31 March 2025.

## **9 INTERNAL AUDIT ANNUAL REPORT AND OPINION 2024-25**

- 9.1 The committee considered the Internal Audit Annual Report and Opinion 2024-2025, the report also provides members with an update on all internal audit and counter fraud activity completed during quarter 4 (2024/25), including a summary of all key audit findings.
- 9.2 Councillors Guilmant, Hewitt, Meadows, and West asked questions and contributed to the debate of the report.

### **9.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee:

- 1) Note the work undertaken and the performance of Internal Audit in 2024/25 and the resultant annual opinion of the Chief Internal Auditor.
- 2) Determined whether there are any matters that the Committee wishes to consider for the inclusion in the Council's Annual Governance Statement.
- 3) Agrees that the Council's arrangements for internal audit proved effective during 2024/25.

## **10 COUNTER FRAUD ANNUAL REPORT 2024-25**

- 10.1 The committee considered the Counter Fraud Annual Report 2024-25, report provides members with an update on all counter fraud activity completed during 2024/25.
- 10.2 Councillors Baghoth, Helliwell, Hewitt, and West asked questions and contributed to the debate of the report.

### **10.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee note the fraud activity completed during 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025.

## **11 NEW ENGLAND HOUSE CLOSURE: RESPONSE TO INTERNAL AUDIT**

- 11.1 The committee considered the Internal Audit response to the New England House Closure, the report sets out the findings of a lessons learned exercise undertaken by the council's Internal Audit team into the sudden temporary closure of New England House (NEH) in November 2024 for fire safety reasons, and the events leading up to that and to the subsequent closure of the building while long term options were reviewed.

- 11.2 Councillors Hewitt, Meadows, and West asked questions and contributed to the debate of the report.

**11.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee:

- 1) Notes the Internal Audit report as set out at Appendix 1 of the report.
- 2) Notes the recommendations for action as set out in paragraphs 3.10 and 3.13 of the report setting how the city council, as a learning organisation, are responding and applying lessons learned.
- 3) Agrees to officers bringing a report to a future meeting of Audit, Standards and General Purposes Committee, six months from the date of this meeting, to update on progress in implementing lessons and actions from the Lessons Learned report.

**12 FORMAL APPROVAL OF THE ANNUAL GOVERNANCE STATEMENT 2024-2025**

- 12.1 The committee considered the Formal approval of the Annual Governance Statement 2024-2025, the council is required to conduct a review of its system of internal control and prepare an Annual Governance Statement to report publicly on the extent to which it complies with its own code of governance.

- 12.2 Councillors Hewitt, Meadows and West asked questions and contributed to the debate of the report.

**12.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee approve the Annual Governance Statement 2024-2025 as set out in Appendix 1 of the report. Once approved, the AGS will be signed by the City Council's Leader and the Chief Executive before publication alongside the City Council's Accounts.

**13 STANDARDS UPDATE**

- 13.1 The committee considered the Standards Update report, to provide a quarterly update, both on complaints received in alleging that Members have breached the Council's Code of Conduct for Members and on related matters.

- 13.2 Councillors Baghoth, Helliwell, and West asked questions and contributed to the debate of the report.

**13.3 RESOLVED –**

That the Audit, Standards, and General Purposes Committee note this report.

**14 ITEMS REFERRED FOR COUNCIL**

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

**15 ITEMS FOR THE NEXT MEETING**

15.1 No items were requested for the next meeting.

The meeting concluded at 6.50pm

Signed

Chair

Dated this

day of

# Brighton & Hove City Council

## Audit, Standards and General Purposes Committee

## Agenda Item 22

**Subject:** Internal Audit and Counter Fraud Quarter 1 Progress Report 2025/26

**Date of meeting:** 23<sup>rd</sup> September 2025

**Report of:** Interim Director of Finance and Property (S151)

**Contact Officer:** Carolyn Sheehan (Audit Manager)  
Tel: 07795 335692  
Email: carolyn.sheehan@brighton-hove.gov.uk

Russell Banks (Chief Internal Auditor)  
Tel: 07824 362739  
Email: russell.banks@eastsussex.gov.uk

**Ward(s) affected:** All

**For general release**

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

- 1.1 This report provides Members with an update on all internal audit and counter fraud activity completed during quarter 1 (2025/26), including a summary of all key audit findings. The report also includes an update on the performance of the Internal Audit Service during the period.

### **2. Recommendations**

- 2.1 That the Committee note the report.

### **3. Context and background information**

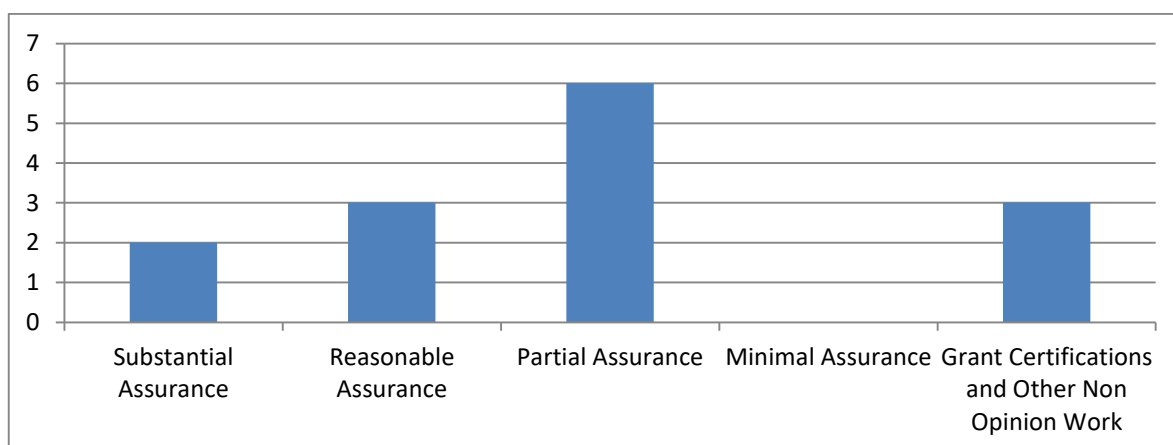
- 3.1 The current annual plan for internal audit is included within the Internal Audit Strategy and Annual Plan 2025/26 which was approved by the Audit, Standards and General Purposes Committee on 22nd April 2025.

### **4. Analysis and consideration of alternative options**

- 4.1 Full details of both the internal audit and counter fraud work delivered during quarter 1 are detailed in Appendix 1, together with our progress against our performance targets.
- 4.2 During quarter 1 there were six reports issued with an opinion of Partial Assurance, as follows:
- Home Purchase Scheme
  - Attendance Management
  - Brighton Centre – Cultural Compliance

- Temporary Accommodation- Block Booked & Spot Purchase Payments
- St Andrews School
- Tarnerland Nursery

- 4.3 A follow-up review will be completed for all partial assurance reports to assess progress in implementing agreed actions.
- 4.4 Following on from the 2024/25 annual audit opinion of Partial Assurance, we continue to take the opportunity to discuss current and emerging audit opinions with senior management, who have clearly recognised the importance of strengthening the control environment and are committed to taking all necessary action to address the issues arising. We will continue to work closely with management to help support the necessary improvement.
- 4.5 The audit opinions finalised in quarter 1 are summarised in the chart below, with two substantial assurance, three reasonable assurance and six partial assurance reports. In addition, there was one non-opinion position statement and two grant certifications, which have been included under the category “Grant Certifications and Non-Opinion work.”



## 5. Community engagement and consultation

- 5.1 The quarterly progress report has been informed by internal audit and counter fraud work completed during the quarter which included extensive engagement with officers.

## 6. Financial implications

- 6.1 It is expected that the Internal Audit Annual Plan 2025/26 will be delivered within existing budgetary resources. Progress against the plan and action taken in line with actions support the robustness and resilience of the council's practices and procedures in support of the council's overall financial position.

Name of finance officer consulted: John Hooton      Date consulted 26/08/25

## 7. Legal implications

- 7.1 The Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit to evaluate the effectiveness of its risk

management, control, and governance processes, taking into account Global Internal Audit Standards. Reviewing the work planned and completed by the Council's internal audit function is a key part of the Audit, Standards and General Purposes Committee's delegated functions.

Name of lawyer consulted: Victoria Simpson      Date consulted 20/08/2025

## **8. Risk implications**

- 8.1 The Council's Internal Audit Strategy and Plan is based on a combination of management's assessment of risk (including that set out within the departmental and strategic risk registers) and our own risk assessment of the Council's major systems and other auditable areas. Issues arising from individual audit reports, summarised in quarterly progress reports to this Committee, have been presented to management and action plans have been formally agreed to mitigate risks. It is a management responsibility to establish and maintain internal control systems and to ensure that resources are properly applied, risks appropriately managed and outcomes achieved

## **9. Equalities implications**

- 9.1 There are no direct equalities implications.

## **10. Sustainability implications**

- 10.1 There are no sustainability implications.

## **11. Other Implications**

- 11.1 There are no other implications.

## **12. Conclusion**

- 12.1 The Committee is asked to note the report.

## **Supporting Documentation**

## **Appendices**

1. Internal Audit and Counter Fraud Quarter 1 Progress Report 2025-26





# **Internal Audit and Counter Fraud Quarter 1 Progress Report 2025/26**

## **CONTENTS**

- 1. Summary of Completed Audits**
- 2. Counter Fraud and Investigation Activities**
- 3. Action Tracking**
- 4. Amendments to the Audit Plan**
- 5. Internal Audit Performance**

## 1. Summary of Completed Audits

### Microsoft Teams Governance

1.1 Microsoft Teams (MS Teams) is a part of the Microsoft 365 series of products and is used for chat, video conferencing and collaboration, with file storage and sharing capabilities within individual Teams sites. This software was quickly introduced as a solution for the Council during the pandemic to provide staff with the means to work and collaborate with their colleagues and clients from any location with the assistance of a Council-owned device.

1.2 This audit was included in the 2024-25 audit plan and was in progress at year end.

1.3 Our audit confirmed that the expected controls were in place and operating effectively, and that the control environment was therefore suitably robust, with a comprehensive Microsoft Teams Governance Plan and policies in place, along with established governance arrangements and controls over evaluated permissions. For this reason, we were able to provide an opinion of **Substantial Assurance**.

1.4 The purpose of the audit was to provide assurance that controls were in place to meet the following objectives:

- MS Teams was set up according to documented Council policies and service objectives, with a clear definition of its intended purpose;
- There are established processes to review system configurations and actively monitor activity and new functionality within MS Teams to ensure compliance with relevant policies and regulations;
- Measures are in place to protect sensitive and confidential information within MS Teams;
- There is an effective training program and communication channel for staff regarding the use, security, and update of MS Teams; and
- Governance arrangements exist for individual Team's creation, access, and permissions to protect data and ensure a swift response to cyber incidents.

1.5 We identified one low risk area for improvement related to ensuring that all new owners have completed the mandatory training to protect the Council from data breaches. An action was agreed to minimise the risk associated with this finding.

### IT&D Project Management

1.6 IT project management is used to help ensure that the Council can deliver technology solutions via defined projects or programmes, which support business change and ensure technology is appropriately managed and governed to support business as usual activity and maintain a stable IT architecture.

1.7 This audit was included in the 2024-25 audit plan and was in progress at year end. Its aim was to provide assurance around the mechanisms in place to ensure the overall delivery of major IT&D projects across the Council.

1.8 Overall, we were able to provide an opinion of **Substantial Assurance** in this area. We found that good governance measures are in place. There is appropriate approval and oversight, with lessons learnt exercises and training on offer. All projects follow a similar path and are reported in a way which provides a consistent approach.

1.9 The purpose of the audit was to provide assurance that controls were in place to meet the following objectives:

- IT project management practices align with the overall strategy and objectives of the Council, to help ensure that resources are utilised effectively, and opportunities are maximised;
- There is a clear and effective governance structure over IT project management, ensuring that there is adequate oversight and accountability for IT projects;
- Clear and consistent practice is used across all IT projects, ensuring uniformity in their application, leading to consistent project outcomes; and
- Resources are appropriately allocated to IT projects with robust project management practices to help ensure projects are delivered timely and within budget.

1.10 Only one minor area for improvement was identified relating to the need to ensure a central record of project management associated training is maintained. Appropriate action was agreed with management to mitigate the risk.

### Mobile Phone Application Management

1.11 Mobile Phone Application Management is the systematic process of requesting, reviewing, approving, and issuing of an organisation's mobile applications. This process is crucial for the Council to ensure the security of mobile devices and safeguard the Council's data from accidental or malicious use.

1.12 The Council's mobile phones are all maintained through Microsoft Intune, an endpoint management system. This allows for the authentication and security management over Council issued iOS and Android devices to be maintained by the Council remotely. It is through the Intune Company Portal app on the individual devices that staff can download and install pre-approved mobile applications.

1.13 This audit was included in the 2024/25 audit plan and was in progress at year end.

1.14 The scope of this audit was confined to Council owned managed devices and covered the following objectives:

- Governance arrangements over mobile applications are documented;
- Controls are in place to assess the security and business requirements of mobile applications prior to approval; and
- Applications available on Intune are subject to regular review and applications requiring licences have download limitations.

1.15 In completing this review, we were able to provide an opinion of **Reasonable Assurance**. We found that:

- The approvals process is based around business need, immediate financial impact (cost of the app), and information security controls;
- The documented risk review for an app clearly defines what the security expectations are for the Council. This helps mitigate the risk of the Council being financially impacted by data breaches with fines for noncompliance;
- There is a specific set of privileged users that can obtain application licences, deploy applications, and change security groups; and
- There is a low volume of applications being requested, approximately 20 in the past year, and there is an increasing number of applications that are becoming web-based, which will result in fewer requests.

1.16 We identified two areas for improvement:

- There is a need to review the apps available to staff to ensure they remain safe to use and remove those no longer in use to help mitigate the risks and lessen the resource impact of managing available apps; and
- A comprehensive list of apps that have been rejected by the Council is not maintained; such a list would minimise time spent reassessing or re-applying for new apps.

1.17 Actions to address these outstanding areas were agreed with management within a formal management action plan.

### **Inclusion Support Service**

1.18 Brighton & Hove Inclusion Support Service (BHISS) works with nurseries, playgroups and childminders registered with Ofsted, as well as schools and colleges, to support children and young people with special educational needs and disabilities (SEND), and their families. The service includes educational psychologists, specialist teachers and practitioners in learning and communication and social, emotional, and mental health. There are nine distinct teams, including Early Years, Literacy and Visual Impairment and Deafness

1.19 A partial buy-back service is in place with schools, in addition to the statutory and core service delivery across the city. The budget for 2024/25 was £3.1m.

1.20 This audit was included in the 2024/25 audit plan and was in progress at year end.

1.21 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Traded services are competitively priced and effectively promoted to help ensure their financial viability;
- Plans are in place to retain skilled staff to ensure sufficient resources and reduce the risk of service failure;
- Clear policies, procedures, and documentation are in place to support compliance with statutory requirements;
- Effective processes are in place to ensure that performance is accurately measured and reported to senior management; and
- Budgets are properly monitored and reported.

1.22 Based on the work undertaken, we were able to provide an opinion of **Reasonable Assurance**, as services are subject to appropriate budget monitoring, quality assurance processes are in place and the service is competitively priced, resulting in strong take-up levels.

1.23 However, we identified some opportunities to further strengthen the control environment, and actions have been agreed with management to:

- Explore mechanisms to address capacity issues and manage growing demand; and
- Enhance performance monitoring and reporting, facilitated by a case management system.

### **Public Health Locally Commissioned Services**

1.24 Locally Commissioned Services (LCSs) are a set of public health services that are commissioned and funded using the Public Health grant and other Public Health funding streams. They are purchased via local General Practices and local Community Pharmacies. These include services relating to contraception, smoking cessation and sexual health.

1.25 The budget for the contracted Locally Commissioned General Practice services is approximately £717,000 pa and for Locally Commissioned Pharmacy Services £179,000 pa. The current three-year contract runs from 2023-2026.

1.26 This audit was included in the 2024/25 audit plan and was in progress at year end.

1.27 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Suitable priorities and desired outcomes have been identified. These align with Council priorities and statutory responsibilities, any requirements of related grants, and client needs;
- Effective contract monitoring and reporting arrangements, including corporate oversight, are in place to ensure delivery in accordance with the contract and grant requirements;

- Financial controls are in place to ensure delivery in accordance with the agreed budget and contract amount;
- Effective risk management arrangements are in place for the ongoing management of the contract;
- The contractor is financially viable, properly insured and has effective business continuity planning; and
- Any variations or changes to the originally agreed specification are in accordance with (procurement and) Contract Standing Orders.

1.28 We were able to provide an opinion of **Reasonable Assurance** as detailed specifications are in place for the service, and regular management of contracts takes place via meetings both between commissioners and with providers. Financial controls and budget monitoring activities were found to be in place.

1.29 However, we identified some opportunities to further strengthen the control environment, and actions have been agreed with management, including to:

- Verify claims data and strengthen identification of anomalies;
- Develop enhanced key performance indicators for when specifications are updated; and
- Adopt and embed key elements of the Council's corporate Contract Management Framework.

## Home Purchase Scheme

1.30 The Home Purchase Scheme allows the Council to buy properties to add to housing stock. Homes purchased under this scheme are subsequently let to households on the Council's housing register as permanent social housing or as temporary accommodation.

1.31 This includes properties previously sold under the right to buy scheme. Under housing legislation, the council is offered first refusal if the former tenants decide to sell the property within 10 years of the original purchase. The Scheme also considers buying other properties, where the right of first refusal does not apply.

1.32 Since the Home Purchase Policy was set up in 2017, figures to December 2024 show that there have been 745 applications, with 383 proceeding to purchase. Of these, 45 had been completed at the conclusion of the audit, against a target of 70 for 2024/25.

1.33 This audit was included in the 2024/25 audit plan and was in progress at year end.

1.34 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Policies, procedures and guidance are in place and periodically reviewed to ensure there is an efficient, consistent and a customer focused approach to administering the scheme;



- The available budget and costs of purchase and refurbishment are managed robustly enabling the Council to buy properties at a fair value under the Home Purchase Scheme; and
- Properties are purchased in accordance with Council criteria, meeting the needs of residents, and all statutory deadlines are met.

1.35 We were only able to provide an opinion of **Partial Assurance** over the controls operating within the area under review because we found an increased risk of non-compliance with procedures and regulations. We also found that delays and some additional costs had not always been factored into deciding whether to purchase a property.

1.36 Actions have been agreed with management to address identified risks from the review and improve the control environment, as follows:

- Ensure that purchases are communicated promptly to the Insurance Team so that insurance details can be updated and timely and appropriate cover is in place;
- Viability calculations are updated to take account of any delays and changes to costs;
- Periodic monitoring takes place to review estimated costs with the actual cost of acquiring a property;
- Monitor and ensure deadlines are not missed for Regulated Buyback cases (where the Council has Right of First Refusal);
- Develop a procedure for major work costs to be included in the viability calculation;
- Review the Council's Empty Homes Lettable Standard (2021) to ensure it aligns with the Governments Decent Homes Standard;
- Update the Temporary Accommodation and Private Sector Leased Lettable Standards and communicate to staff how this will be applied;
- Ensure stamp duty payments to HMRC are paid within 14 days of completion; and
- Introduce consistent approach to case reviews.

1.37 This audit will be subject to a follow up review to assess whether actions agreed with management have been implemented and are working effectively to mitigate risk.

## Attendance Management

1.38 Sickness absence reporting was brought in-house in April 2024. Previously employees were instructed to inform a third party of any sickness absence, who updated records on behalf of management. Employees are now instructed to contact their line manager to report sickness absence, and line managers are required to record absence details and return to work conversations directly onto the HR Management System (PIER).

1.39 The Council's year-end performance report for 2023/24 shows that the average number of working days/shifts lost per Full Time Equivalent (FTE) due to sickness absence (not including schools) was 11.56, up from 11.33 the previous year. For key performance indicators the target is set at 10.9 days for 2024/25 and at Q3, the data showed actual performance was at 11.69 days.

1.40 This audit was included in the 2024/25 audit plan and was in progress at year end.

1.41 The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Effective up-to-date policies and procedures are in place to support compliance with legal and corporate requirements. Appropriate training and guidance are provided to ensure that staff and managers are aware of their roles and responsibilities around absence reporting and management;
- All members of staff are subject to appropriate management and supervision in respect of sickness absence;
- Return to Work and other review meetings are recorded on the PIER system and adequate records are retained by the line manager; and
- Compliance with corporate policies is effectively monitored and managed.

1.42 We have only been able to provide an opinion of **Partial Assurance** over the controls operating within the area under review because we found inadequate level of compliance with the policy. We also found that ineffective monitoring and analysis of data is likely to have been a barrier in identifying root causes of absence and to reducing high rates of absence across the Council.

1.43 Actions have been agreed with management to address identified risks from the review and improve the control environment, as follows:

- Communicate and embed attendance management expectations, learning, and skills across the Council;
- Develop new absence management reporting, to sit alongside other performance management arrangements, so that oversight is improved and issues can be identified early;
- Improve recording of closing absences and return to work conversations;
- Improve oversight and management of staff who have reached an attendance concern level;
- Review and benchmark sickness absence targets for Key Performance Indicators; and
- Review the Attendance Management policy.

1.44 Due to the Partial Assurance opinion, we will complete a follow-up review to assess the extent to which these actions have been implemented.

### **Brighton Centre – Cultural Compliance**

1.45 The Brighton Centre is an events space located in the city centre and holds a range of events, including live music, conferences, and exhibitions.

1.46 This audit was included in the 2024/25 audit plan and was in progress at year end.



1.47 The objective of this review was to provide assurance over compliance with Council policies and procedures at the Brighton Centre, to meet the following objectives:

- All employees are compliant with the Council's policies and procedures and perform these as part of their duties; and
- Financial management is robust and compliant with financial regulations.

1.48 In completing this work, we found that Council policies and procedures are not always being adhered to, including in relation to recording and transparency of financial arrangements, the appropriate use of purchasing cards, timely raising of purchase orders, completion of mandatory training, processing of staff expense and overtime claims and the management of absences. As a result, we were only able to provide an opinion of **Partial Assurance**.

1.49 A robust action plan was agreed with management to ensure that:

- The financial position is clear and managed effectively through; the inclusion of detailed explanation for variances in the budget, clearer allocations of funds within the budget, review of suppliers to ensure compliance with contract standing orders, and introduction of guidance around income streams for consistent application;
- Employees are aware of, and adhere to, corporate policies and procedures in relation to mandatory training, purchasing, expense claims, performance management, and declarations of interests, gifts, and hospitality;
- Sickness absence management procedures are followed where triggers are met;
- Annual leave entitlement for staff is appropriately reviewed to ensure it aligns with corporate policy; and
- Procedures and guidance are in place and circulated to employees for all processes specific to the Brighton Centre, for example, rota management and health and safety for managing the events and space.

1.50 Due to the Partial Assurance opinion, we will complete a follow-up review to assess the extent to which the agreed improvement actions have been implemented.

### **Temporary Accommodation – Block Booked and Spot Purchase Payments**

1.51 The Council has a statutory duty under the Housing Act 1996 (as amended by the Homelessness Act 2002) and the Homelessness Reduction Act 2017 to take action to prevent homelessness and assist people who are made homeless or threatened with eviction. Anyone can be placed in temporary accommodation by the Council providing the Council has reason to believe they are in priority need and eligible for assistance.

1.52 Interim placements (emergency accommodation placements) are made under Section 188 of the Housing Act 1996, Longer-term temporary accommodation placements for households accepted as homeless are made under Section 193 of the Housing Act 1996. Placements under both duties are referred to as temporary accommodation placements.

1.53 Interim accommodation takes the form of bed and breakfast accommodation, hotels and hostels which are charged at a daily rate. In 2023/24, the cost of interim accommodation for the Council was approximately £9.8m.

1.54 This audit was agreed as an addition to the 2024-25 audit plan and was in progress at year end. It was added following concerns being raised relating to payment controls in this area. The purpose of the audit was to provide assurance that controls are in place to meet the following objectives:

- Supplier payments are monitored and reported to senior management on a regular basis;
- Suppliers are paid in adherence with their contractual payment terms and arrangements;
- Payments to suppliers are reconciled against actual occupancy data;
- Voids are managed effectively, and periods of non-occupancy are identified and recorded to minimise the volume of overpayments. Properties are promptly reallocated to people in priority need; and
- Robust procedures are in place to clawback supplier overpayments.

1.55 We have only been able to provide an opinion of **Partial Assurance** over the controls operating within the area under review because current processes are insufficient to effectively control costs. Too much reliance is placed on Finance staff to identify errors and anomalies post-payment for rectification, rather than by the service.

1.56 Actions have been agreed with management to address identified risks from the review and improve the control environment, as follows:

- A robust automated payment reconciliation process is developed, to check and confirm the accuracy of the payments to suppliers of Spot Purchase and Block Booked interim accommodation, conducted at service level;
- Pending implementation of the above, establish a basic pre-payment validation and checking process;
- Improve contract management processes, particularly where complex supplier relationships exist, to ensure they are operating effectively;
- A robust void clawback process is developed for periods of non-occupation and communicated to suppliers;
- Service resilience is reviewed to address any single points of failure;
- Key performance indicators are established for payment processes and where payment terms are standardised;
- Proactive supplier risk management arrangements are formalised and embedded;
- A comprehensive set of procedure documentation is developed to ensure compliance with service requirements and principles; and
- A mechanism for recording and monitoring supplier overpayments is developed and embedded.

1.57 Due to the partial assurance opinion, we will complete a follow-up review to assess the extent to which the agreed improvement actions have been implemented.

## Schools

1.57 We have a standard audit programme in place for all school audits, with the scope of our work designed to provide assurance over key controls operating within schools. The objectives of our work are to ensure that:

- Governance structures are in place and operate to ensure there is independent oversight and challenge by the Governing Body;
- Decision making is transparent, well documented, and free from bias;
- The school is able to operate within its budget through effective financial planning;
- Unauthorised or inappropriate people do not have access to pupils, systems, or the site;
- Staff are paid in accordance with the schools pay policy;
- Expenditure is controlled and funds used for an educational purpose;
- The school ensures value for money on contracts and larger purchases; and,
- All voluntary funds are held securely and used in accordance with the agreed purpose.

1.58 One school and one nursey audit were finalised in quarter 1. The table below shows details of the audits, together with the final level of assurance reported to them.

Name of School	Audit Opinion
St Andrews Primary School	<p><b>Partial Assurance</b></p> <p>Areas requiring improvement included:</p> <ul style="list-style-type: none"> <li>• Ensuring declarations of interest are updated annually with appropriate controls in place for any positive declarations and governors' declarations are published on the school website;</li> <li>• Annually updating the pupil premium report and publishing on the school's website;</li> <li>• Ensuring robust expenditure controls and oversight of expenditure is in place;</li> <li>• Procurement practices are compliant, and a competitive process takes place where alternative quotes are sought; and</li> <li>• Ensuring contractors have the correct level of public liability insurance and employment status (IR35) checks are completed where appropriate.</li> </ul>

<p>Tarnerland Nursery School</p>	<p><b>Partial Assurance</b></p> <p>Areas requiring improvement included:</p> <ul style="list-style-type: none"> <li>• Ensuring declarations of interest are updated annually with appropriate controls in place for any positive declarations and governors' declarations are published on the school website;</li> <li>• Ensuring robust expenditure controls and oversight of expenditure is in place;</li> <li>• Review and approval of key documents;</li> <li>• Procurement practices are compliant, and a competitive process takes place where alternative quotes are sought; and</li> <li>• Ensuring contractors have the correct level of public liability insurance and employment status (IR35) checks are completed where appropriate.</li> </ul>
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1.53 We aim to undertake follow-up audits at all schools with Minimal Assurance opinions. For Partial Assurance opinions we will undertake a follow up review or alternatively write to the Chair of Governors to obtain confirmation that recommendations have been implemented.

1.54 The core financial role of the LA is to set and monitor a local framework, including provision of budgetary information, provision of a financial oversight and intervening where schools are causing financial concerns. Schools (the governing body and the Headteacher) are required to manage their delegated budget effectively ensuring the school meets all its statutory obligations, and through the Headteacher, comply with the LA's Financial Regulations and Standing Orders.

## Grant Certifications and Non-Opinion Work

### Transition of the Coast to Capital Local Enterprise Partnership (LEP)

1.55 From April 2024, Central Government ceased providing funding to LEPs, with the functions previously held transferring to Upper Tier Local Authorities. The Council is a member of, and the accountable body for, the Coast to Capital (C2C) LEP, and therefore had a key role in securing the transfer of remaining funds from C2C to local authorities.

1.56 The objective of this review was to assess controls and practice in place regarding the transition of the C2C LEP and identify where any improvement could be made in future endeavours.

1.57 We were able to provide assurance that:

- Appropriate officers had been allocated to lead on this work, with representation across key service areas;
- Regular meetings were taking place with representatives from each group to discuss transition activities;
- Legal and settlement agreements had been drafted for the transition of funds; and
- The future of economic development activities had been considered and actioned in line with government guidance.

1.58 We identified areas where controls could be strengthened for future partnership working arrangements across the Council, which were shared with management, these included:

- Clear definitions of roles and responsibilities of all parties in a partnership arrangement, at the earliest opportunity, and documented approval of this;
- Record and retain detailed minutes of meetings, including circulating agendas and actions, and the formal approval of meeting terms of references;
- Develop clear plans and timelines, with assigned accountable individuals to these;
- Ensuring sufficient resources are in place and available to progress work; and
- Regular reporting to senior management of progress and updates.

1.59 This review did not contain an assurance opinion, as this was a bespoke piece of work that came out of the cessation of LEPs nationally.

## **Multiply Grant**

1.60 The Multiply Grant is funding provided by the Department of Education towards improving functional numeracy skills for adults through personal tutoring, digital training, and flexible courses. Brighton and Hove City Council received funds of £917,932 between 2022 and 2025.

1.61 Internal Audit conducted a review of a random sample of 10 transactions for 2024/2025 to offer assurance that expenditure was claimed appropriately and in accordance with the grant conditions.

1.62 No issues were identified in the grant certification.

## **Supporting Families Programme**

1.63 The Department for Education require Internal Audit to verify a proportion (5-10%) of outcome submissions made by the Local Authority for Supporting Families Programme, using the updated national Outcomes Framework (October 2023 – March 2025). This is the final award under this grant.

1.64 We reviewed 27 of the 266 submissions in quarter 4 of 2024/25 (January to March 2025) and confirmed that these have been subject to appropriate quality assurance checks.

1.65 All of the families selected in our sample have firstly met the criteria to be eligible for the programme. Required outcomes were also found to have been sustained for at least six months from case closure in all but one of the cases; the regression check for one case was made earlier due to human error.

1.66 In all significant respects, we found the conditions attached to the grant determination for 2024/25 have been complied with.

## **2 Proactive Counter Fraud Work**

### **Counter Fraud Activity**

2.1. The team continue to monitor intel alerts and share information with relevant services when appropriate.

2.2. In addition, the team are continuing to review matches released as part of the National Fraud Initiative. High risk matches will be prioritised for investigation and support provided to services reviewing the reports.

### **Summary of Completed Investigations**

#### **Misuse of Grant**

2.3 Internal Audit made initial enquiries following receipt of an external referral alleging misuse of a government grant. Enquiries found the grant conditions had been complied with and there was no case to answer.

#### **Lease Arrangements**

2.4 Following receipt of whistleblowing allegations that Council officers had unfairly changed conditions of a lease and failed to provide information, we undertook initial enquiries. Internal Audit found that external legal advice had been sought on the treatment of the lease, and this had been followed. We found no evidence that officers had acted inappropriately, and no further action was required.

#### **Illegal Eviction**

2.5 The team provided support to the successful prosecution of a landlord who illegally evicted a tenant. The landlord received a 12-month conditional discharge and was ordered to pay compensation of £3,016 to the victim.

#### **Housing Tenancy Fraud**

2.6 The Tenancy Fraud Team continue to investigate allegations of potential sublet. They work closely with Housing Managers and other officers for a joined-up approach to allegations



of abandonment, with an increasing emphasis on visits and communication with tenants to increase awareness and reiterate a tenant's responsibility under their tenancy agreements.

## Council Tax Fraud

2.7 The Team continues to investigate allegations of false claims for Single Person Discount (SPD) and Council Tax Reduction Support (CTRS).

2.8 The table below shows the estimated financial value saved through the work of the Tenancy Fraud Team.

Fraud Area	(£) Year to Date	(£) 2024/25	(£) 2023/24	(£) 2022/23
Properties Recovered	78,300	930,000	558,000	186,000
Housing Application Withdrawn	21,415	359,772	-	-
Homeless Application Withdrawn			-	-
Right-To-Buy Withdrawn		102,400	-	-
SPD Removed	3,354	5,559	8,625	511
Revenues Exemption Removed	1,910	2,947		
CTRS		4,659	440	406
Housing Benefit			3,853	3,658
Business Rates			-	-
<b>Total</b>	<b>104,979</b>	<b>1,405,337</b>	<b>570,918</b>	<b>190,575</b>

## 3 Action Tracking

3.1 All high priority actions agreed with management as part of individual audit reviews are subject to action tracking. When high priority actions become due, we seek confirmation from service management that actions have been implemented. At the end of quarter 1, we can report that 76.5% of high priority actions due, had been confirmed as implemented by management at the end of the quarter.

3.2 It is notable that seven of the eight high priority actions outstanding related to agreed improvements in the control environment following an allegation of financial irregularity. All of these actions have since been confirmed as implemented.

3.3 The eight high priority actions which were overdue at the end of quarter 1 are summarised below.

Details of Audit Issue	Due date	Revised date	Agreed Action
Payroll Irregularity – Protocols for Reporting Fraudulent Activity	30/09/24	31/12/24	A guidance document for managing and reporting payroll fraud will be created and circulated to schools and the Payroll Team.  <i>This action is now confirmed as implemented.</i>
Off Payroll Payments (IR35)	01/01/25	11/04/25	A system solution will be explored through the Corporate Systems Improvement Programme to improve reporting and oversight through Civica and Pier systems.  <i>Action repeated in follow up review to be reported in Q2.</i>
Failure to Work Contractual Hours	09/04/25		Staff will be reminded of their contractual obligations, and work attendance will be monitored by management to ensure there is compliance.  <i>This action is now confirmed as implemented.</i>
Breach of the Code of Conduct and Anti-Fraud and Corruption Strategy	09/05/25		Management will send an email with a copy of the Council's Code of Conduct attached to all staff within the Parking Department reminding them of the expected behaviour of staff as outlined in the policy.  <i>This action is now confirmed as implemented.</i>
Misuse of Council Car Park Passes	09/05/25		Management will remind staff in Parking Services that, as per the Code of Conduct, staff should only use Council facilities (including car



Details of Audit Issue	Due date	Revised date	Agreed Action
			<p>park passes) provided by the Council for use in their duties to carry out those duties and for no other purpose.</p> <p><i>This action is now confirmed as implemented.</i></p>
Breach of Purchase Card Terms and Conditions	09/05/25		<p>Management will email all Purchase Card Holders and Approving Managers in Parking reminding them of the terms and conditions associated with holding a Purchase Card and requesting that they refresh their corporate training.</p> <p><i>This action is now confirmed as implemented.</i></p>
Breach of Contract Standing Orders.	28/05/25		<p>Management will ensure staff involved in the procurement of contracts understand the procurement process and the importance of maintaining accurate records to ensure there is a clear audit trail of the decision-making process.</p> <p><i>This action is now confirmed as implemented.</i></p>
Breach of Contract Standing Orders.	28/05/25		<p>Management will ensure staff involved in the procurement of contracts understand the procurement process and the importance of maintaining accurate records to ensure there is a clear</p>

Details of Audit Issue	Due date	Revised date	Agreed Action
			audit trail of the decision-making process.  <i>This action is now confirmed as implemented.</i>

3.3 A follow up review of Off Payroll Payments was in progress during Q1, where we will seek to assess the level of progress made against the actions agreed.

3.4 A number of high priority actions have had their implementation deadlines extended, in agreement with management. Where the revised deadlines are not met, these will be reported to the next meeting of the Audit, Standards and General Purposes Committee.

#### 4 Amendments to the Audit Plan

4.1 In accordance with proper professional practice, the Internal Audit plan for the year has been kept under regular review to ensure that the service continues to focus its resources in the highest priority areas based on an assessment of risk. Through discussions with management the following audits have been added to the audit plan this quarter:

Planned Audit	Rationale for Addition
Madeira Terraces Programme Assurance	To provide assurance that the programme to refurbish and repair Madeira Terraces is operating as expected to deliver the project objectives. Review requested by Corporate Director, City Operations.
Brighton Marina to River Adur Flood and Coastal Erosion Programme Assurance	To provide assurance that the programme is operating as expected to deliver coastal defences alongside the Environment Agency and the Council's role as accountable body is effective. Review requested by Corporate Director, City Operations.
Fleet Procurement Compliance	To review procurement compliance within the management of the Council's fleet of vehicles and equipment. Review requested by Corporate Director, City Operations.
Petty Cash Controls	A number of concerns have been raised in recent years regarding the control of petty cash across the Council. Although use of cash across the Council has significantly reduced, there are still some services that still

	heavily rely on petty cash systems to deliver support to clients.
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4.2 In order to allow these additional audits to take place, contingency available for emerging risks has been used. In addition, the following audits have been removed or deferred from the audit plan and where appropriate, will be considered for inclusion in future audit plans as part of the overall risk assessment completed during the annual audit planning process. These changes have been made on the basis of risk prioritisation and/or as a result of developments within the service areas, that may require a reschedule of audit assignments.

Planned Audit	Rationale for Removal
Environmental Services Project Management	Removed from the plan for 2025/26 to accommodate other requested audits in City Operations. Will be considered as part of a wider review of commissioning for future audit plans.
Mobile Phone Application Audit Follow Up	Follow up review not required as final report opinion has changed from Partial to Reasonable Assurance.

## 5 Internal Audit Performance

5.1 In addition to the annual assessment of internal audit effectiveness against Global Internal Audit Standards (GIAS), the performance of the service is monitored on an ongoing basis against a set of agreed key performance indicators as set out in the following table:

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
Quality	Annual Audit Plan agreed by Audit Committee	By end April	<b>G</b>	2025/26 Internal Audit Strategy and Annual Audit Plan formally approved by Audit, Standards & General Purposes Committee - Tuesday, 22nd April 2025.
	Annual Audit Report and Opinion	By end July	<b>G</b>	2024/25 Annual Report and Opinion presented to Audit, Standards & General Purposes Committee 24th June 2025.
	Customer Satisfaction Levels	90% satisfied.	<b>G</b>	100%
Productivity and Process Efficiency	Audit Plan – completion to draft report stage	22.5%	<b>G</b>	22.9%

Aspect of Service	Orbis IA Performance Indicator	Target	RAG Score	Actual Performance
	Percentage of audit plan days delivered	22.5%	<b>G</b>	22.6%
Compliance with Professional Standards	Global Internal Audit Standards	Conforms	<b>G</b>	April 2025 - Self Assessment against the recently introduced Global Internal Audit Standards (GIAS) completed. No major areas of non-conformance identified. Some areas to ensure full compliance have been identified including the update of the Audit Charter.
	Relevant legislation such as the Police and Criminal Evidence Act, Criminal Procedures, and Investigations Act	Conforms	<b>G</b>	No evidence of non-compliance identified
Outcome and degree of influence	Implementation of management actions agreed in response to audit findings	95% for high priority agreed actions	<b>A</b>	76.5% for high priority agreed actions (see above)
Our staff	Professionally Qualified/Accredited (Includes part-qualified staff and those undertaking professional training)	80%	<b>G</b>	82%

## Audit Opinions and Definitions

Opinion	Definition
<b>Substantial Assurance</b>	Controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Reasonable Assurance</b>	Most controls are in place and are operating as expected to manage key risks to the achievement of system or service objectives.
<b>Partial Assurance</b>	There are weaknesses in the system of control and/or the level of non-compliance is such as to put the achievement of the system or service objectives at risk.
<b>Minimal Assurance</b>	Controls are generally weak or non-existent, leaving the system open to the risk of significant error or fraud. There is a high risk to the ability of the system/service to meet its objectives.



# Brighton & Hove City Council

## Audit, Standards and General Purposes Committee

## Agenda Item 23

**Subject:** Global Internal Audit Standards (GIAS) Self- Assessment and Quality Assurance and Improvement Plan (QAIP)

**Date of meeting:** 23<sup>rd</sup> September 2025

**Report of:** Interim Director of Finance and Property (S151)

**Contact Officer:** Carolyn Sheehan (Audit Manager)  
Tel: 07795 335692  
Email: carolyn.sheehan@brighton-hove.gov.uk

Russell Banks (Chief Internal Auditor)  
Tel: 07824 362739  
Email: russell.banks@eastsussex.gov.uk

**Ward(s) affected:** All

**For general release**

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

- 1.1 To set out the results of the Internal Audit Service's self-assessment against the new Global Internal Audit Standards along with details of any actions arising, as set out with the Service's ongoing Quality Assurance and Improvement Plan. The Internal Audit Charter has been updated in response to the new Standards and is attached to this report as Appendix 3 for approval.

### **2. Recommendations**

- 2.1 That the Committee note the self-assessment against the new GIAS and the resulting QAIP.
- 2.2 That the Committee approve the updated Internal Audit Charter.

### **3. Context and background information**

- 3.1 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities 'must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.' From 1 April 2025, the previous Public Sector Internal Audit Standards (PSIAS) were replaced with new GIAS, supported by the CIPFA 'Application Note – Global Internal Audit Standards in the UK Public Sector'.

#### **4. Analysis and consideration of alternative options**

- 4.1 Whilst there are some changes required for Internal Audit as a result of the new Standards, it is generally recognised that an internal audit service that conforms with the previous PSIAS will have most of the required practices already in place, especially in terms of undertaking audit assignments. The primary changes therefore relate to minor amendments and updates to key documentation, in particular, the Internal Audit Charter.
- 4.2 In order to provide senior management and the Audit Committee with assurance in respect of conformance with GIAS, a comprehensive self-assessment has been conducted, which has included the identification of any actions arising, all of which will be incorporated into the service's ongoing improvement plan. Given the size and detailed nature of the GIAS (120 pages) and the associated self-assessment (144 pages), these have not been shared in full as part of this report. A full list of the GIAS content, showing all of the areas covered is, however, attached as Appendix 1, and a full copy is available upon request.
- 4.3 Overall, the self-assessment found extremely high levels of conformance, with none of the identified actions being considered significant. Furthermore, immediate progress has been made in the implementation of these, with many already addressed at the time of writing this report. Attached as Appendix 2 is a summary of all the actions included within the service's improvement plan, which incorporates those arising from the self-assessment as well as general service development activities.
- 4.4 In total, of the 26 actions identified, 24 have either been fully implemented or are in progress at the time of writing. The remaining actions are either ongoing or will be addressed over the remainder of the year on a priority basis, recognising that some of these relate to general service development rather than professional compliance. Further updates on this activity will be provided over the course of the year and reflected within the Annual Internal Audit Report and Opinion for 2025/26.
- 4.5 Finally, attached as Appendix 3 is an updated Internal Audit Charter, which has been reviewed to ensure that it correctly reflects and references the new GIAS. None of the amendments are material, with the main changes relating to:
- Referencing the GIAS and Local Government Application Note, to replace PSIAS throughout;
  - Section 2 'Internal Audit Purpose' has been updated to include specific references to the GIAS;
  - Section 4 heading has been updated to 'Internal Audit Mandate' in order to make it consistent with the language in GIAS;
  - Section 7 'Reporting' has slightly more detail included on administrative reporting and functional reporting; and
  - Section 11 'Due Professional Care' updated to reference the GIAS' Ethics and Professionalism domain.



## **5. Community engagement and consultation**

5.1 Not required.

## **6. Financial implications**

6.1 Ensuring that the Council has a robust Internal Audit service is an essential part of ensuring that effective controls and strong governance exist across the organisation. Particularly through the work on key financial systems, this work also underpins the Council's arrangements to ensure good financial management.

Name of finance officer consulted: John Hooton Date consulted 26/08/25

## **7. Legal implications**

7.1 As described under the Risk Implications paragraph below, the Council is under a legal requirement to undertake an effective internal audit in order to evaluate the effectiveness of its risk management, control, and governance processes. From 2025, the Global Internal Audit Standards provide the basis for that process of evaluating the internal audit function.

Oversight of the Council's delivery of its internal audit function is a key part of the Audit, Standards and General Purposes Committee's delegated functions.

Name of lawyer consulted: Victoria Simpson Date consulted 26.08.2025

## **8. Risk implications**

8.1 The statutory basis for Internal Audit in local government is provided in the Accounts and Audit Regulations 2015, which require a local authority to "*undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes*". Compliance with the Global Internal Audit Standards helps ensure the delivery of an effective internal audit service that remains independent and objective and provides a systematic disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

## **9. Equalities implications**

9.1 There are no direct equalities implications.

## **10. Sustainability implications**

10.1 There are no sustainability implications.

## **11. Other Implications**

11.1 There are no other implications

## **12. Conclusion**

12.1 The results of the Internal Audit Service's self-assessment against the new GIAS demonstrate a high level of conformance with only a small number of relatively minor actions arising. One such action relates to the updating of the Internal Audit Charter to reflect the new Standards which has now been completed.

12.2 The Committee is recommended to note the results of the self-assessment against the new GIAS and approve the updated Internal Audit Charter.

## **Supporting Documentation**

### **1. Appendices**

1. Self-Assessment against the new GIAS and QAIP
2. Quality Assurance and Improvement Plan
3. Updated Internal Audit Charter

## **Global Internal Audit Standards – Content List**

- **Domain I: Purpose of Internal Auditing**
- **Domain II: Ethics and Professionalism**
  - **Principle 1 Demonstrate Integrity**
    - Standard 1.1 Honesty and Professional Courage
    - Standard 1.2 Organization's Ethical Expectations
    - Standard 1.3 Legal and Ethical Behavior
  - **Principle 2 Maintain Objectivity**
    - Standard 2.1 Individual Objectivity
    - Standard 2.2 Safeguarding Objectivity
    - Standard 2.3 Disclosing Impairments to Objectivity
  - **Principle 3 Demonstrate Competency**
    - Standard 3.1 Competency
    - Standard 3.2 Continuing Professional Development
  - **Principle 4 Exercise Due Professional Care**
    - Standard 4.1 Conformance with the Global Internal Audit Standards
    - Standard 4.2 Due Professional Care
    - Standard 4.3 Professional Skepticism
  - **Principle 5 Maintain Confidentiality**
    - Standard 5.1 Use of Information
    - Standard 5.2 Protection of Information
- **Domain III: Governing the Internal Audit Function**
  - **Principle 6 Authorized by the Board**
    - Standard 6.1 Internal Audit Mandate
    - Standard 6.2 Internal Audit Charter
    - Standard 6.3 Board and Senior Management Support
  - **Principle 7 Positioned Independently**
    - Standard 7.1 Organizational Independence
    - Standard 7.2 Chief Audit Executive Qualifications
  - **Principle 8 Overseen by the Board**
    - Standard 8.1 Board Interaction
    - Standard 8.2 Resources
    - Standard 8.3 Quality
    - Standard 8.4 External Quality Assessment
- **Domain IV: Managing the Internal Audit Function**
  - **Principle 9 Plan Strategically**
    - Standard 9.1 Understanding Governance, Risk Management, and Control Processes
    - Standard 9.2 Internal Audit Strategy
    - Standard 9.3 Methodologies
    - Standard 9.4 Internal Audit Plan
    - Standard 9.5 Coordination and Reliance
  - **Principle 10 Manage Resources**
    - Standard 10.1 Financial Resource Management
    - Standard 10.2 Human Resources Management
    - Standard 10.3 Technological Resources
  - **Principle 11 Communicate Effectively**
    - Standard 11.1 Building Relationships and Communicating with Stakeholders
    - Standard 11.2 Effective Communication

- Standard 11.3 Communicating Results
  - Standard 11.4 Errors and Omissions
  - Standard 11.5 Communicating the Acceptance of Risks
- **Principle 12 Enhance Quality**
  - Standard 12.1 Internal Quality Assessment
  - Standard 12.2 Performance Measurement
  - Standard 12.3 Oversee and Improve Engagement Performance
- **Domain V: Performing Internal Audit Services**
  - **Principle 13 Plan Engagements Effectively**
    - Standard 13.1 Engagement Communication
    - Standard 13.2 Engagement Risk Assessment
    - Standard 13.3 Engagement Objectives and Scope
    - Standard 13.4 Evaluation Criteria
    - Standard 13.5 Engagement Resources
    - Standard 13.6 Work Program
  - **Principle 14 Conduct Engagement Work**
    - Standard 14.1 Gathering Information for Analyses and Evaluation
    - Standard 14.2 Analyses and Potential Engagement Findings
    - Standard 14.3 Evaluation of Findings
    - Standard 14.4 Recommendations and Action Plans
    - Standard 14.5 Engagement Conclusions
    - Standard 14.6 Engagement Documentation
  - **Principle 15 Communicate Engagement Results and Monitor Action Plans**
    - Standard 15.1 Final Engagement Communication
    - Standard 15.2 Confirming the Implementation of Recommendations or Action Plans

## Internal Audit Quality Assurance and Improvement Plan

Ref	Improvement Activity	RAG Status of Activity	Target Date
1.	Complete full self-assessment against GIAS and LG Application Note and incorporate into QAIP. (Compliance with GIAS)	Complete	
2.	Review Orbis IA Charter and update for new GIAS and Application Note. (Compliance with GIAS)	Complete	
3.	Obtain approval for updated Charter from all partner and client audit committees. (Compliance with GIAS)	Complete	
4.	Share new GIAS with all Orbis IA staff and obtain a formal declaration from each confirming understanding of their responsibilities. In particular, direct staff to Domain V 'Performing Internal Audit Services'. (Compliance with GIAS)	Complete	
5.	Review training and development documentation and other procedure/guidance documents to ensure sufficient coverage and references to GIAS and ethics related aspects. (Compliance with GIAS)	Ongoing	October 2025
6.	Schedule and deliver awayday/training and development day focussed on new GIAS, including ethics related aspects/responsibilities and CPD requirements. (Compliance with GIAS)	Complete – Ongoing Activity	
7.	Confirm that client liaison guidance and activity includes obtaining feedback on service quality etc. (Improvement Activity)	Complete	
8.	Issue reminder to all Orbis IA staff regarding their responsibilities to log training and maintain CPD logs as required. (Improvement Activity)	Complete	
9.	Review all key Orbis IA guidance and procedure documentation to ensure consistent with new GIAS. (Compliance with GIAS)	In Progress	December 2025
10.	Clarify reporting arrangements to senior management and audit committees in relation to GIAS self-assessment and QAIP progress. (Compliance with GIAS, to report to committee and senior management)	Complete	
11.	Refresh and update the Orbis IA Service Objectives document and ensure all staff have in place underpinning personal objectives. (Improvement Activity)	Outstanding	December 2025

Ref	Improvement Activity	RAG Status of Activity	Target Date
12.	Review 2026/27 audit planning arrangements to cover requirements of the GIAS, specifically in terms of potential requirement to maintain a separate formal IA risk assessment. (Compliance with GIAS)	In Progress	March 2026
13.	Confirm that all audit plans include details of the engagements that were not included in the plan but could be added if capacity becomes available. (Improvement Activity)	Complete	
14.	Review assurance mapping arrangements, including how we assess the adequacy of other sources of assurance that we chose to rely on. (Improvement Activity)	In Progress	March 2026
15.	Following re-organisation and all appointments made, review statutory officer liaison arrangements. (Improvement Activity)	Complete	
16.	Progress arrangements to develop and publish internal audit and counter fraud bulletin for all partners and clients. (Improvement Activity)	In Progress	March 2026
17.	Review audit reporting guidance and protocols to confirm sufficiently clear reference to risk acceptance and escalation arrangements. (Improvement Activity)	Complete	
18.	Review Orbis IA KPIs in light of previous EQA and potential to include something about relationship between IA coverage and organisation's strategic risks. Adequacy/extent of IA coverage. Also, possible new KPI around % of follow up audits generating improved audit opinions. (Improvement Activity)	Complete	
19.	Ensure service training and development programme includes root cause identification and evaluation. (Improvement Activity)	In Progress	October 2025
20.	Introduce additional narrative in standard report template that the audit work has been conducted in conformance with GIAS and LG Application Note. (Compliance with GIAS)	Complete	
21.	Work through completed GIAS to ensure that all areas of evidence can be located, are up to date and are clearly linked with self-assessment. (Improvement Activity)	In Progress	October 2025
22.	Liaise with management to ensure that 2025/26 AGS includes specific reference to organisational compliance with Code of Practice for the Governance of Internal Audit in UK Local Government. (Improvement Activity)	In Progress	March 2026

<b>Ref</b>	<b>Improvement Activity</b>	<b>RAG Status of Activity</b>	<b>Target Date</b>
23.	Confirm that each authority's financial regulations or equivalent confirm Internal Audit's mandate as set out in Accounts and Audit Regulations. (Improvement Activity)	Complete	
24.	Update the Internal Audit Charter to specifically include administrative reporting arrangements for internal audit and the Chief Internal Auditor. (Compliance with GIAS)	Complete	
25.	Liaise with management to consider whether, and how, audit committee chairs should provide direct input to the CIA's performance evaluation. (Compliance with GIAS)	Outstanding	March 2026
26.	Clarify arrangements within each partner council for undertaking an audit committee effectiveness review based on CIPFA guidance. (Improvement Activity)	Complete	





## **INTERNAL AUDIT CHARTER**

### **1. Introduction**

This Charter describes for the Council the purpose, authority and responsibilities of the Internal Audit function in accordance with the Global Internal Audit Standards (GIAS) and the Local Government Application Note.

The GIAS require that the Charter must be reviewed periodically and presented to “the board” for approval. In addition, senior management have a key role in providing input to the board and the Chief Internal Auditor. For the purposes of this charter “senior management” will be the Corporate Leadership Team (CLT) and the board will be the Audit, Standards and General Purposes Committee.

The Charter shall be reviewed annually and approved by CLT and the Audit, Standards and General Purposes Committee. The Chief Internal Auditor is responsible for applying this Charter and keeping it up to date.

### **2. Internal Audit Purpose**

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The purpose statement included in the GIAS states “Internal auditing strengthens the organisation’s ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing enhances the organisation’s:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when:

- It is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.”

Internal Audit supports the whole Council to deliver economic, efficient and effective services and achieve the Council's vision, priorities and values.

### 3. Statutory Requirement

Internal audit is a statutory service in the context of the Accounts and Audit Regulations 2015, which require every local authority to maintain an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes taking into account GIAS or guidance.

These regulations require any officer or Member of the Council to:

- make available such documents and records; and
- supply such information and explanations; as are considered necessary by those conducting the audit.

This statutory role is recognised and endorsed within the Council's Financial Regulations.

In addition, the Council's S151 Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To perform that duty the Section 151 Officer relies, amongst other things, upon the work of Internal Audit in reviewing the operation of systems of internal control and financial management.

### 4. Internal Audit Responsibilities and Scope

Annually, the Chief Internal Auditor is required to provide to the Audit Committee an overall opinion on the Council's internal control environment, risk management arrangements and governance framework to support the Annual Governance Statement.

Internal Audit is not responsible for control systems. Responsibility for effective internal control and risk management rests with the management of the Council.

Internal audit activity must be free from interference in determining the scope of activity, performing work and communicating results.

The scope of Internal Audit includes the entire control environment and therefore all of the Council's operations, resources, services and responsibilities in relation to other bodies. In order to identify audit coverage, activities are prioritised based on risk, using a combination of Internal Audit and management risk assessment (as set out within Council risk registers). Extensive consultation also takes place with key stakeholders and horizon scanning is undertaken to ensure audit activity is proactive and future focussed.

Internal audit activity will include an evaluation of the effectiveness of the organisation's risk management arrangements and risk exposures relating to:

- Achievement of the organisation's strategic objectives;

**Brighton & Hove City Council**

- Reliability and integrity of financial and operational information;
- Efficiency and effectiveness of operations and activities;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

## 5. Independence

Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a way that allows them to make impartial and effective professional judgements and recommendations. Internal auditors should not have any operational responsibilities.

Internal auditors will not review specific areas of the Council's operation in which they have previously worked, until a period of at least 12 months has elapsed.

Internal Audit is involved in the determination of its priorities in consultation with those charged with governance. The Chief Internal Auditor has direct access to, and freedom to report in their own name and without fear of favour to, all officers and Members and particularly those charged with governance. This independence is further safeguarded by ensuring that the Chief Internal Auditor's formal appraisal/performance review is not inappropriately influenced by those subject to audit. This is achieved by ensuring that both the Chief Executive and the Chairman of the Audit Committee have the opportunity to contribute to this performance review.

All Internal Audit staff are required to make an annual declaration of interest to ensure that objectivity is not impaired and that any potential conflicts of interest are appropriately managed.

## 6. Appointment and Removal of the Chief Internal Auditor

The role of Chief Internal Auditor is a shared appointment across the 3 Orbis partner authorities (East Sussex County Council, Surrey County Council and Brighton & Hove City Council). In order to ensure organisational independence is achieved, all decisions regarding the appointment and removal of the Chief Internal Auditor will be made following appropriate consultation with Member representatives from each of the authorities' audit committees.

## 7. Reporting Lines

Regardless of line management arrangements, the Chief Internal Auditor has free and unfettered access to report to the S151 Officer; the Monitoring Officer; the Chief Executive; the Audit Committee Chair; the Leader of the Council and the Council's External Auditor. This includes periodic administrative reporting arrangements to an individual in the organisation who can support the internal audit function's pursuit of the internal audit mandate.

There is a functional reporting relationship between the Chief Internal Auditor and the Audit Committee, who will receive reports on a periodic basis – as agreed with

the Chair of the Audit Committee – on the results of audit activity and details of Internal Audit performance, including progress on delivering the audit plan.

These reporting arrangements feed into and support the maintenance of the independence of the function.

## 8. Fraud & Corruption

Managing the risk of fraud and corruption is the responsibility of management. Internal Audit will, however, be alert in all its work to risks and exposures that could allow fraud or corruption and will investigate allegations of fraud and corruption in line with the Council's Anti Fraud and Corruption Strategy.

The Chief Internal Auditor should be informed of all suspected or detected fraud, corruption or irregularity in order to consider the adequacy of the relevant controls and evaluate the implication for their opinion on the control environment.

Internal Audit will promote an anti-fraud and corruption culture within the Council to aid the prevention and detection of fraud.

## 9. Consultancy Work

Internal Audit may also provide consultancy services, generally advisory in nature, at the request of the organisation. In such circumstances, appropriate arrangements will be put in place to safeguard the independence of Internal Audit and, where this work is not already included within the approved audit plan and may affect the level of assurance work undertaken; this will be reported to the Audit Committee.

In order to help services to develop greater understanding of audit work and have a point of contact in relation to any support they may need, Internal Audit has put in place a set of service liaison arrangements that provide a specific named contact for each service; and, regular liaison meetings. The arrangements also enable Internal Audit to keep in touch with key developments within services that may impact on its work.

## 10. Resources

The work of Internal Audit is driven by the annual Internal Audit Plan, which is approved each year by the Audit Committee. The Chief Internal Auditor is responsible for ensuring that Internal Audit resources are sufficient to meet its responsibilities and achieve its objectives.

Internal Audit must be appropriately staffed in terms of numbers, grades, qualifications and experience, having regard to its objectives and to professional standards. Internal Auditors need to be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development programme.

The Chief Internal Auditor is responsible for appointing Internal Audit staff and will ensure that appointments are made in order to achieve the appropriate mix of qualifications, experience and audit skills. The Chief Internal Auditor may engage the use of external resources where it is considered appropriate, including the use of specialist providers.

## 11. Due Professional Care

The work of Internal Audit will be performed with due professional care and in accordance with the GIAS, the Local Government Application Note, the Accounts and Audit Regulations (2015) and with any other relevant statutory obligations and regulations.

In carrying out their work, internal auditors must exercise due professional care by considering:

- The extent of work needed to achieve the required objectives;
- The relative complexity, materiality or significance of matters to which assurance procedures should be applied;
- The adequacy and effectiveness of governance, risk management and control processes;
- The probability of significant errors, fraud or non-compliance; and
- The cost of assurance in proportion to the potential benefits.

Internal auditors will also have due regard to the Seven Principles of Public Life – Selflessness; Integrity, Objectivity; Accountability; Openness; Honesty; and Leadership, as well as the GIAS’ Ethics and Professionalism domain and the principles underpinning this of: integrity, objectivity, competency, due professional care and confidentiality.

## 12. Quality Assurance

The Chief Internal Auditor will control the work of Internal Audit at each level of operation to ensure that a continuously effective level of performance – compliant with the GIAS and Local Government Application Note, is maintained.

A Quality Assurance Improvement Programme (QAIP) is in place which is designed to provide reasonable assurance to its key stakeholders that Internal Audit:

- Performs its work in accordance with its charter;
- Operates in an effective and efficient manner; and,
- Is adding value and continually improving the service that it provides.

The QAIP requires an annual review of the effectiveness of the system of Internal Audit to be conducted. Instances of non-conformance with the GIAS, including the impact of any such nonconformance, must be disclosed to the Audit Committee. Any

significant deviations must be considered for inclusion in the Council's Annual Governance Statement.

# Brighton & Hove City Council

## Audit, Standards & General Purposes Committee

## Agenda Item 24

**Subject:** Annual Housing Complaints Report and Self-Assessment

**Date of meeting:** 23 September 2025

**Report of:** Genette Laws, Corporate Director – Homes and Adult Social Care

**Contact Officer:** Martin Reid, Director for Homes & Investment and Harry Williams, Director for Housing People Services

**Email:** [martin.reid@brighton-hove.gov.uk](mailto:martin.reid@brighton-hove.gov.uk)  
[Harry.williams@brighton-hove.gov.uk](mailto:Harry.williams@brighton-hove.gov.uk)

**Ward(s) affected:** All

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

- 1.1 The Council's social landlord duties cover 12,145 rented properties and 2,210 leasehold properties (as of January 2025). The Council is a member of the Housing Ombudsman scheme which provides an independent and impartial service to investigate complaints and resolve disputes involving the tenants and leaseholders of social landlords.
- 1.2 The Social Housing Regulation Act 2023 (SHRA) placed a duty on the Housing Ombudsman to monitor social landlords' compliance with a Complaints Handling Code of Practice.
- 1.3 It is a requirement that the Annual Housing Complaints report (Appendix 1) and the Housing Ombudsman Self-Assessment (Appendix 2) is reported to the governing body and published on its website by 30 September 2025.
- 1.4 The governing body's response to the Annual Housing Complaints Report and the Self-Assessment must be published alongside this.
- 1.5 This aligns with the Council Plan priority, Homes for Everyone, to ensure that the Council complies with new social housing regulations. Also, our Council Plan priority, to be a responsive council with well-run services.

### 2. Recommendations

- 2.1 That the Audit, Standards & General Purposes Committee having reviewed the report provide comment on the Annual Housing Complaints Report and Self-Assessment.



### 3. Context and background information

- 3.1 The legislation recognises that a positive complaint handling culture is key to effectiveness with which landlords resolve disputes. Social landlords are required to use complaints as a way of identifying issues and introduce positive changes in service delivery.
- 3.2 The report must include:
- a) The annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.
  - b) A qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept.
  - c) Any findings of non-compliance with this Code by the Ombudsman.
  - d) the service improvements made as a result of the learning from complaints.
  - e) Any annual report about the landlord's performance from the Ombudsman.
  - f) Any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlords.
- 3.3 The Annual Housing Complaints report and Self-Assessment directly supports the following Council Plan outcomes: Outcome 2: A fair and inclusive city, Homes for everyone; Outcome 4: A responsive council with well-run services.
- 3.4 Over the past year, the council's Housing Service has implemented several service improvements to improve efficiency and responsiveness, ensuring tenants receive high-quality support.

**Digital Access Expansion:** The introduction of Housing Online has simplified the process for tenants to request repairs, improving accessibility and response times.

**Tenant Handbook Update:** In collaboration with Seniors scheme residents, the handbook has been revised to provide clearer and more useful guidance.

**Noise Nuisance Resolution:** Procedures have been strengthened, with closer coordination between Environmental Health teams, leading to more effective intervention and quicker resolution.

**Cleaning and Maintenance Improvements:** Cleaning schedules have been restructured to ensure consistency, and van routes have been optimised to reduce travel time, increasing operational efficiency.

**Anti-Social Behaviour Management:** A streamlined case review process has enhanced response times and service accessibility, with ongoing refinements based on resident feedback.

- 3.5 These improvements reflect the council's commitment to delivering a responsive, high-quality housing service that meets the needs of tenants while continuously evolving based on their experiences.



- 3.6 In 2024/25, complaints related to repairs, maintenance, and property improvements remained the most reported issue, making up 68% of all housing related complaints. However, this represents a significant improvement from 2023/24, when these concerns accounted for 80% of complaints. Increase in satisfaction with repairs is aligned with a 12% reduction in repairs complaint.
- 3.7 Improvement to repairs, maintenance and property is still an ongoing priority, the council has made substantial investments to expand contractor capacity alongside the in-house team. This ensures that repairs are completed efficiently and to a high standard, improving responsiveness to tenant needs.

#### **4. Analysis and consideration of alternative options**

- 4.1 Not applicable as this is a statutory requirement.

#### **5. Community engagement and consultation**

- 5.1 The Annual Housing Complaints report for will be published on the council website. It will also be shared with residents at Housing Area Panel and summarised in the Autumn edition of Homing In.
- 5.2 The Housing service are actively working towards improving collaboration and engagement with residents. Following analysis of complaints 2024/25, a series of co-produced workshops with tenants and staff took place. These focused on four key themes. Findings from these workshops will be used to form the basis for a Creating Great Homes Together plan.

#### **6. Financial implications**

- 6.1 There are no direct financial implications arising directly from the recommendations of the report, however, addressing any service improvements arising from responding to complaints can have financial consequences for the service. These will be reflected as part of the regular Targeted Budget Management forecast and reports.

**Name of finance officer consulted:** Mike Bentley      **Date consulted:** 27/05/25

#### **7 Legal implications**

- 7.1 The legal requirements to have a report are set out above. There is no additional legal comment.

**Name of lawyer consulted:** Simon Court      **Date consulted:** 27 May 2025:

#### **8 Risk implications**

- 8.1 Failing to meet the statutory deadline could result in regulatory scrutiny,

financial penalties, or damage to the council's reputation for reliability and governance.

- 8.2 Delaying or omitting the report could lead to missed opportunities for service Improvement.

## **9 Equalities implications**

- 9.1 The Annual Housing Complaints Report and the Self-Assessment are aligned to the Social Housing Regulation Act 2023 (SHRA). This aims to improve social housing standards and tenant experiences, with specific provisions addressing equality and diversity.
- 9.2 The Complaint Handling Code specifies at that we must make it easy for residents to complain taking into consideration duties under the Equality Act 2010. It is a requirement of the Code that we anticipate the needs and reasonable adjustments of individuals who may need to access the complaints process.
- 9.3 The council's full complaints procedure is published on our website with brief, clear descriptions of how we operate our corporate complaints procedure. Complaints can be made through an online form, by email, post, telephone or other method if required by a resident.
- 9.4 Ensuring the complaints process is accessible helps ensure greater equality of opportunity to voice concerns, seek resolutions and drive service improvement.

## **10. Conclusion**

- 10.1 It is a statutory requirement to report the Annual Housing Complaint report and the Self-Assessment the governing body.
- 10.2 The governing body's response to the Annual Housing Complaints report and the Self-Assessment must be published alongside the report by 30 June 2025.

## **Supporting Documentation**

### **i. Appendices**

- 1. Annual Housing Complaints Report
- 2. Self- Assessment

## Appendix 1-Annual Housing Complaints Handling Report

As a social landlord, the Council commitment to delivering quality housing and services is at the heart of everything we do. As a service we recognise we can continually develop and learn, and complaints provide a valuable opportunity to understand our tenants and leaseholders needs better, address concerns effectively, and continually improve in all areas.

The Annual Housing Complaints report and Self-Assessment report relates directly to and supports the following Council Plan outcomes: Outcome 2: A fair and inclusive city, Homes for everyone; Outcome 4: A responsive council with well-run services.

The Housing Repairs and Maintenance service is the area where we receive the highest number of customer contacts. This is also reflected in the figures around highest number of complaints. The service is completing over 3,000 repairs monthly, with high volumes of repair requests being received. While progress is being made to reduce our backlog of routine repairs, including with additional contractor capacity, this remains challenging. A steady reporting of new repair requests has meant that while the backlog of routine repairs has been reducing, progress has been slower than anticipated. Analysis is currently underway to identify key drivers, with early findings suggesting the trend aligns with national patterns.

In addition to our in-house team, we have invested heavily in additional repairs contractor capacity. Our focus is to ensure work is completed punctually and that we better understand and our service is more responsive to and reflective of our tenants' requirements and expectations.

We are also delivering an ambitious investment programme to modernise our ageing housing stock and a significant building health & safety programme to ensure compliance with regulatory and legislative requirements.

### Service Performance 2024/25

As of January 2025, the council's social landlord duties cover 12,145 rented properties and 2,210 leasehold properties. During 2024/25, we completed the following activities:

Repairs Helpdesk - calls answered	66,159
Housing Customer Service - call answered	21,975
New anti-social behaviour cases opened	785
Homes let	584
Homes with solar panels installed	400
Number of tenancy breach cases	419

## Key priorities for 2025/26:

Based on the complaints received last year, our key priorities are:

- **Tenant Voice:** Actively listen to tenants to ensure their needs and perspectives shape service improvements.
- **Complaint Handling:** Strengthen follow-up processes and enhance satisfaction by addressing concerns promptly and effectively.
- **Learning and Improving:** Use tenant feedback to continuously refine services and exceed customer expectations.
- **Transparency:** Build trust with residents through honest, open communication and accountability.
- **Effective Communication:** Improve channels to foster better dialogue, keeping residents informed and engaged.
- **Accessibility:** Ensure services are easy to access, inclusive, and responsive to tenant needs.

Following analysis of complaints 2024/25 (and other customer intelligence including member enquiries), we ran a series of co-produced workshops with tenants and staff, focussed on four key themes, Findings from these workshops will be used to form the basis for a **Creating Great Homes Together** plan.

1. **Day to Day Repairs** - addressing delays, improving repair quality, preventing missed appointments, enhancing diagnostics, and ensuring better communication.
2. **Complaints Handling** - focusing on empathetic responses, addressing all concerns, offering fair redress, and considering individual vulnerabilities.
3. **Health and Safety** - tackling issues such as anti-social behaviour, damp and mould, electrical safety, noise nuisance, asbestos, and pest infestations.
4. **Customer Service & Communication** - Improving information clarity, ensuring a respectful tone, enhancing staff conduct, and providing consistent updates.

## Examples of Service Improvements in 2024/25

**Digital Access:** New Housing Online service makes it easier for residents to report repairs.

**Tenant Handbook:** Reviewed with residents in Seniors schemes to improve clarity and service transparency.

**Neighbourhood Team Presence:** Dedicated staff recruited to regularly visit estates to identify and resolve issues early, creating a more responsive service.

**Increased focus on early intervention** and resolution of noise nuisance issues for residents, through review of the noise nuisance procedures working jointly across the Council with Environmental Health service and use of Community Protection Warnings and Community Protection Notices.

**Cleaning Services:** Restructured cleaning schedules to enhance efficiency, with a 4-week rota for high rises and clearer tasks for residents. Adjusted van routes to reduce travel time.

**Anti-social behaviour:** clearer case review process to ensure a more robust, responsive and accessible service. Whilst the number of complaints has reduced over the last year in this area we are still always looking at way we can improve the service based on resident feedback.






## Complaint Resolution Performance






This report shows the number and types of complaints we have received and resolved in 2024/25.

A total of 832 Stage 1 complaints were received in 2024/25, with 50% being either upheld or partially upheld. This is equal to 68 complaints per 1,000 homes. This compares with a total of 775 in 2023/24. This is equal to 59 per 1,000 homes.

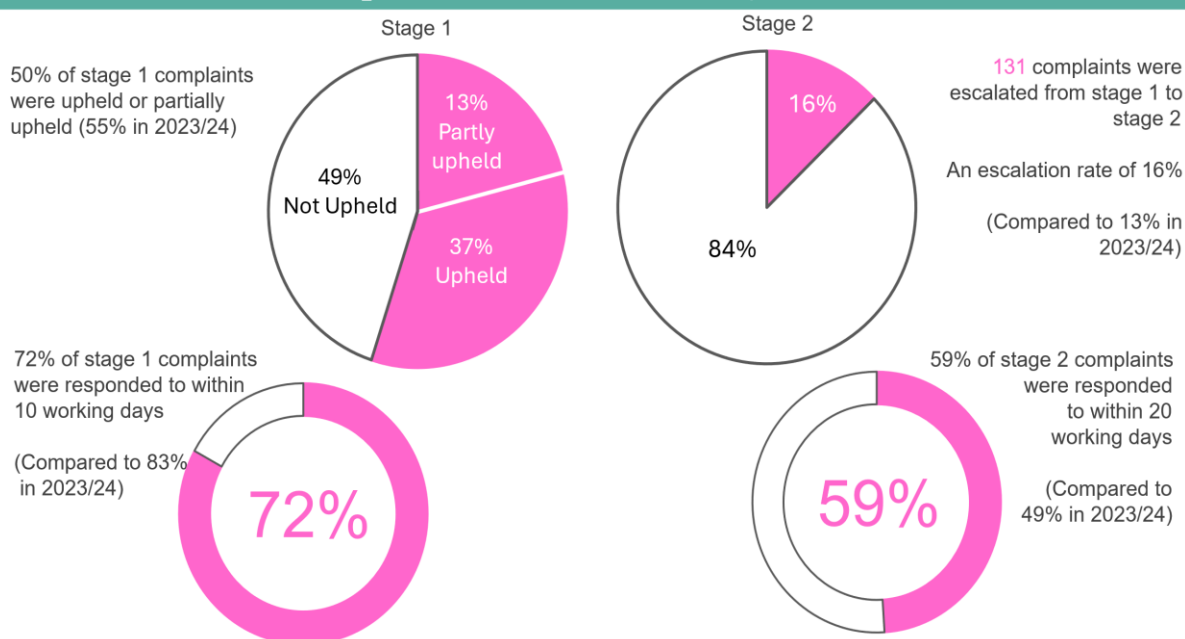
72% of Stage 1 complaints were responded to within the target of 10 working days. 16% of Stage 1 complaints were escalated to Stage 2, with 59% being responded to within the target of 20 working days.

The top three areas of complaint in 2024/25 were in relation to the condition of property (Repairs, maintenance & improvement) (68%), staff conduct (8.41%) and unhappy with service delivery (5.89%).

Type of Complaint		Number	2024/25	2023/24	Performance
	The condition of property-Repairs, Maintenance and Improvement.	572	68%	80%	↑
	Anti-social behaviour	17	2.04%	3.36%	↑
	Staff conduct	70	8.41%	2.27%	↓
	Failure to take action	19	2.28%	1.68%	↓
	Unhappy with service delivery	49	5.89%	1.55 %	↓

Type of Complaint		Number	2024/25	2023/24	Performance
	Estate management services (12 in 2023/24)	31	3.73%	1.55%	↓
	Rehousing	8	0.96%	0.77%	↓
	Disagree with policy or procedure	15	1.8%	0.65%	↓
	Delay in providing outcome	13	1.56%	0.65%	↓
	Range of other tenancy matters e.g. wording of letters, tenancy succession issues.	38	4.57%	7.1%	↑

## Complaint outcomes in 2024/25



## Where we have not met compliance in 2024/25

There have been instances this year where we have not been able to meet compliance with the Housing Ombudsman's Complaint Handling Code.

- Maladministration in our handling of a resident's reports of multiple leaks resulting in damage to the property, there was also service failure in our handling of the related complaint.
- Maladministration in our handling of reports of roof leaks, major works and reports that the property was not fit to let at the start of the tenancy. There was also maladministration in our associated complaint handling.
- Maladministration in respect of our response to the resident's reports of anti-social behaviour, reports of discrimination, including a failure to make reasonable adjustments, concerns about the communal cleaning and the handling of the associated complaint.
- Maladministration in our handling of a resident's reports of ASB and the associated formal complaint.
- Service failure in our handling of the resident's concerns about asbestos linked to plastering works and reports of repair issues relating to electrics and a kitchen worktop.
- Service failure in response to the resident's reports concerning asbestos, damp and mould.
- Service failure in our handling of repairs to the resident's roof and the handling of the associated complaint.
- Service failure in our handling of a resident's inclusion on the client of concern register.
- Maladministration in our handling of a resident's reports of water ingress.
- Maladministration in our handling of a resident's reports of a leak coming from the property above, communication on our process regarding the resident's insurance claim and the associated formal complaint.
- Severe maladministration in our handling of the resident's reports of a roof repair and leak resulting in damp and mould and service failure regarding reports about bathroom flooring.

We apologise for all occasions when we've got it wrong and have undertaken a review of each case to identify what we need to improve.

### **Instances where we have not accepted complaints**

There are some types of complaints that we can't accept. This year we have refused to accept complaints for the following reasons:

- Where the same matter had already been considered at all stages of the internal complaint procedure, where the issue was not part of an ongoing

situation, no new matters were raised and where no new evidence was provided which may have affected the previous outcome.

- Where the outcome sought by the customer was solely compensation for damages, whether personal injury or unquantifiable financial loss, and no additional matters were raised.
- Where a more appropriate route of appeal or challenge was available (Data Protection or Information Governance issue, Leaseholder service charge dispute, complaint solely about the conduct of elected members) and where no additional matters were raised.
- Where a customer wished to complain that senior members of staff had not replied personally to their emails, despite the customer requests having been considered and responded to through the relevant process (e.g. as a complaint, a Subject Access Request or a service request)

## Housing Ombudsman

Where tenants/leaseholders are dissatisfied with the outcome of the council's internal complaint processes, they can escalate their complaint to the Housing Ombudsman.

The Housing Ombudsman can consider matters where the local authority is the landlord or freeholder, all other types of complaint (including those relating to homelessness or emergency accommodation) can be escalated to the Local Government & Social Care Ombudsman.

The information provided enables us to benchmark our performance against two different comparators:

1. Comparison to other landlords with a similar number of properties
2. Comparison to other local authorities

The Housing Ombudsman Service produces a combined comparator figure. The analysis for Brighton & Hove City Council's performance for 2023/24 is below. This is known as the maladministration rate. In 2023/24 the Housing Ombudsman investigated 10 cases relating to Brighton & Hove City Council's landlord services. BHCC's performance has declined since this was last reported in 2022/23. Our performance is better in most areas than comparable local authorities with similar numbers of properties, however, our performance compared to last year has declined and so it is important that we learn the lessons with the aim of recovering our performance.



Outcome category-2023/24	National (Local Authorities)	National (landlords with +10,000 units)	Brighton & Hove City Council
<b>Severe Maladministration</b> This is the most serious failing	9%	8%	6%
<b>Maladministration</b> This is when there was a failure which has adversely affected the resident	45%	42%	39%
<b>Service failure</b> When there was a minor failing, but action is still needed to put things right.	18%	18%	33%
<b>Mediation</b> Where the resident and landlord agree to enter into mediation and, with the Ombudsman's intervention, reached an agreed outcome.	1%	1%	0%
<b>Redress</b> This finding is made when there is evidence of maladministration but the landlord has identified and acknowledged this prior to the Ombudsman's formal investigation and has, on its own initiative, taken steps and/or made an offer of compensation, that puts things right.	4%	16%	0%
<b>No maladministration</b> We find no maladministration where the landlord acted in accordance with its obligations and policies/procedures. Minor failings may have been found but these caused no detriment to the resident	21%	22%	17%
<b>Outside Jurisdiction</b> The complaint will not or cannot be considered by the Ombudsman	9%	7%	6%
<b>Withdrawn</b> The resident withdrew their complaint, and the Ombudsman was satisfied as to the circumstances.	0%	0%	0%



## Appendix A: Self-assessment form

This self-assessment form should be completed by the complaints officer and it must be reviewed and approved by the landlord's governing body at least annually.

Once approved, landlords must publish the self-assessment as part of the annual complaints performance and service improvement report on their website. The governing body's response to the report must be published alongside this.

Landlords are required to complete the self-assessment in full and support all statements with evidence, with additional commentary as necessary.

We recognise that there may be a small number of circumstances where landlords are unable to meet the requirements, for example, if they do not have a website. In these circumstances, we expect landlords to deliver the intentions of the Code in an alternative way, for example by publishing information in a public area so that it is easily accessible.

## Section 1: Definition of a complaint

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
1.2	A complaint must be defined as: <i>'an expression of dissatisfaction, however made, about the standard of service, actions or lack of action by the landlord, its own staff, or those acting on its behalf, affecting a resident or group of residents.'</i>	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Brighton & Hove City Council complaints procedure has been updated to use this wording and it is included in our staff complaint handling training.
1.3	A resident does not have to use the word 'complaint' for it to be treated as such. Whenever a resident expresses dissatisfaction landlords must give them the choice to make complaint. A complaint that is submitted via a third party or representative must be handled in line with the landlord's complaints policy.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Section amended based on Housing Ombudsman Compliance feedback Brighton & Hove City Council complaints policy wording now to include:  <i>Customers expressing dissatisfaction will be given the opportunity to make a complaint.</i>  <i>Complaints made by a representative on behalf of a customer will be handled</i>

				<p><i>in line with this complaint policy</i></p> <p>A template paragraph has also been created and provided to all officers in Housing who respond to MP/Cllr Enquiries, asking whether the customer would like this to be a formal complaint.</p>
1.4	Landlords must recognise the difference between a service request and a complaint. This must be set out in their complaints policy. A service request is a request from a resident to the landlord requiring action to be taken to put something right. Service requests are not complaints, but must be recorded, monitored and reviewed regularly.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Brighton &amp; Hove City Council policy and staff training includes the distinction between a service request and a complaint.</p> <p>These are logged, reviewed and monitored.</p>
1.5	A complaint must be raised when the resident expresses dissatisfaction with the response to their service request, even if the handling of the service request remains ongoing. Landlords must not stop their efforts to address the service request if the resident complains.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback</p> <p>Brighton &amp; Hove City Council complaints policy wording now to include:</p> <p><i>If a customer expresses dissatisfaction with the outcome of their service</i></p>

				<p><i>request, then a complaint will be raised.</i></p> <p><i>A complaint will not stop the efforts to address the service request but will be considered concurrently.</i></p>
1.6	<p>An expression of dissatisfaction with services made through a survey is not defined as a complaint, though wherever possible, the person completing the survey should be made aware of how they can pursue a complaint if they wish to. Where landlords ask for wider feedback about their services, they also must provide details of how residents can complain.</p>	Yes		<p>Information about how to make a complaint will now be included in our proactive mail out to customers inviting them to complete a corporate satisfaction survey. This activity happens in February each year.</p>

## Section 2: Exclusions

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
2.1	Landlords must accept a complaint unless there is a valid reason not to do so. If landlords decide not to accept a complaint they must be able to evidence their reasoning. Each complaint must be considered on its own merits	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the Brighton & Hove City Council complaint procedure, Appendix B.
2.2	<p>A complaints policy must set out the circumstances in which a matter will not be considered as a complaint or escalated, and these circumstances must be fair and reasonable to residents. Acceptable exclusions include:</p> <ul style="list-style-type: none"> <li>The issue giving rise to the complaint occurred over twelve months ago.</li> <li>Legal proceedings have started. This is defined as details of the claim, such as the Claim Form and Particulars of Claim, having been filed at court.</li> </ul>	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback</p> <p>Policy wording amended to clarify that <i>"matters that have not affected the complainant personally or caused them an injustice"</i> applies only to the original complainant, not any third party representing them.</p>

	<ul style="list-style-type: none"> <li>Matters that have previously been considered under the complaints policy.</li> </ul>			
2.3	Landlords must accept complaints referred to them within 12 months of the issue occurring or the resident becoming aware of the issue, unless they are excluded on other grounds. Landlords must consider whether to apply discretion to accept complaints made outside this time limit where there are good reasons to do so.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback</p> <p>Policy wording amended to clarify that</p> <p><i>Complaints should be made within 12 months of the customer becoming aware of the issue, unless there is good reason for them not to have done so, which will be considered on a case-by-case basis.</i></p>
2.4	If a landlord decides not to accept a complaint, an explanation must be provided to the resident setting out the reasons why the matter is not suitable for the complaints process and the right to take that decision to the Ombudsman. If the Ombudsman does not agree that the exclusion has been fairly applied, the Ombudsman may tell the landlord to take on the complaint.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>This is included in Brighton &amp; Hove City Council complaints procedure</p> <p>All complaints are carefully considered and will only be rejected if they fall under any of the categories at app B of the council's complaints procedure or if they are more than 12 months old.</p>



2.5	Landlords must not take a blanket approach to excluding complaints; they must consider the individual circumstances of each complaint.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	All complaints will be considered on a case-by-case basis. Instructions to provide full reasons for rejected complaints and signposting to the Ombudsman are included in the Brighton & Hove City Council complaints procedure.
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### Section 3: Accessibility and Awareness

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
3.1	Landlords must make it easy for residents to complain by providing different channels through which they can make a complaint. Landlords must consider their duties under the Equality Act 2010 and anticipate the needs and reasonable adjustments of residents who may need to access the complaints process.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/how-make-complaint">https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/how-make-complaint</a>	Complaints can be made over the phone, by email, by online form, by post, via a third party or face to face to any member of landlord staff visiting their home or area.
3.2	Residents must be able to raise their complaints in any way and with any member of staff. All staff must be aware of the complaints process and be able to pass details of the complaint to the appropriate person within the landlord.	Yes		This is included in staff complaint handling training and in the Customer Experience Induction Briefing which all new starters to the council are encouraged to attend.
3.3	High volumes of complaints must not be seen as a negative, as they can be indicative of a well-publicised and accessible complaints process. Low complaint volumes are potentially a sign that residents are unable to complain.	Yes		Brighton & Hove City Council performance management framework does not target volumes of complaint or upheld rates (unlike for example, response times which are targeted), in order not to

				inadvertently create avoidance of accepting complaints. Volumes are monitored however as they can be indicative of emerging issues.
3.4	Landlords must make their complaint policy available in a clear and accessible format for all residents. This will detail the two stage process, what will happen at each stage, and the timeframes for responding. The policy must also be published on the landlord's website.	Yes	<a href="#">How to make a complaint</a>	The council's full complaints procedure is published on our website with brief, simplified descriptions of how we operate our corporate and statutory complaints procedures.
3.5	The policy must explain how the landlord will publicise details of the complaints policy, including information about the Ombudsman and this Code.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the complaint procedure
3.6	Landlords must give residents the opportunity to have a representative deal with their complaint on their behalf, and to be represented or accompanied at any meeting with the landlord.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the complaint procedure
3.7	Landlords must provide residents with information on their right to access the Ombudsman service and how the individual can engage with the Ombudsman about their complaint.	Yes		This is included in complaint correspondence at the appropriate points. We also publish this information in Homing In newsletter – sent electronically or hard copy

				to each tenant and leaseholder every quarter. Exploring other options such as inclusion in rent statements/gas safety check letters.
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## Section 4: Complaint Handling Staff

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
4.1	Landlords must have a person or team assigned to take responsibility for complaint handling, including liaison with the Ombudsman and ensuring complaints are reported to the governing body (or equivalent). This Code will refer to that person or team as the 'complaints officer'. This role may be in addition to other duties.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	The Customer Feedback team. The complaints procedure has been updated to include that officers within the Customer Feedback Team fulfil the role of "complaints officer".
4.2	The complaints officer must have access to staff at all levels to facilitate the prompt resolution of complaints. They must also have the authority and autonomy to act to resolve disputes promptly and fairly.	Yes		This is covered in training. Additionally, complaints are of a high priority for the administration and leadership team of the council. We would not usually experience any barriers to resolving complaints.
4.3	Landlords are expected to prioritise complaint handling and a culture of learning from complaints. All relevant staff must be suitably trained in the importance of complaint handling. It is important that complaints are seen as a	Yes		Dedicated complaint resource is set aside in the highest complaint volume areas. Complaints are a very high priority for the administration and leadership team of the

	core service and must be resourced to handle complaints effectively			council and are discussed at quarterly performance sessions. In house training is provided and run quarterly it is available for all council staff who respond to complaints. The Customer Feedback team also offer tailored training to teams with high volumes of complaints
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### Section 5: The Complaint Handling Process

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
5.1	Landlords must have a single policy in place for dealing with complaints covered by this Code. Residents must not be treated differently if they complain.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Brighton & Hove City Council complaint policy covers all complaints.
5.2	The early and local resolution of issues between landlords and residents is key to effective complaint handling. It is not appropriate to have extra named stages (such as 'stage 0' or 'informal complaint') as this causes unnecessary confusion.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<i>Section amended based on Housing Ombudsman Compliance feedback</i>  <i>Policy wording amended to the below to clarify that there is no additional stage between service request and formal complaint.</i>

				<p><b>6. The early and local resolution of issues</b></p> <p><i>The council's aim is to resolve all issues as quickly as possible and as near as possible to the point of service delivery. It is the responsibility of whichever member of staff, in any council service team, that an issue initially raised with, to try to resolve the issue there and then wherever possible, however the customer should always also be given the option to raise a complaint at every opportunity. A complaint will not stop the efforts to address the service request but will be considered concurrently. If a customer expresses dissatisfaction with the outcome of their service request, then a complaint will be raised.</i></p>
5.3	A process with more than two stages is not acceptable under any circumstances as this will make the	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	We do not have an additional stage between service request and

	complaint process unduly long and delay access to the Ombudsman.			complaint and the complaint process has only two internal stages.
5.4	Where a landlord's complaint response is handled by a third party (e.g. a contractor or independent adjudicator) at any stage, it must form part of the two stage complaints process set out in this Code. Residents must not be expected to go through two complaints processes.	Yes		Regular high volume contractors handle Stage 1 complaints, then escalation to Stage 2 is as per any other complaint, so there are no additional stages.
5.5	Landlords are responsible for ensuring that any third parties handle complaints in line with the Code.	Yes		Complaint handling clause is included in relevant contracts and regular contractors attend complaint handling training
5.6	When a complaint is logged at Stage 1 or escalated to Stage 2, landlords must set out their understanding of the complaint and the outcomes the resident is seeking. The Code will refer to this as "the complaint definition". If any aspect of the complaint is unclear, the resident must be asked for clarification.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. policy wording now to include. Under the stage 2 part of section 7</p> <p><i>- If there are valid reasons why the complaint cannot be taken forward (see Appendix B on exclusions) this will be explained"</i></p> <p>Other requirements of this section are covered in the</p>



				complaint policy, template letters and training.
5.7	When a complaint is acknowledged at either stage, landlords must be clear which aspects of the complaint they are, and are not, responsible for and clarify any areas where this is not clear.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to include: Under the stage 2 part of section 7</p> <p><i>- If there are valid reasons why the complaint cannot be taken forward (see Appendix B on exclusions) this will be explained"</i></p> <p>Other requirements of this section are covered in the complaint policy, template letters and training.</p>
5.8	<p>At each stage of the complaints process, complaint handlers must:</p> <ol style="list-style-type: none"> <li>deal with complaints on their merits, act independently, and have an open mind;</li> <li>give the resident a fair chance to set out their position;</li> </ol>	Yes		<p>Brighton &amp; Hove City Council inhouse complaint handling training focusses on how to conduct an impartial and meaningful investigation.</p> <p>Our training is provided by experienced Customer Feedback Managers from</p>

	<ul style="list-style-type: none"> <li>c. take measures to address any actual or perceived conflict of interest; and</li> <li>d. consider all relevant information and evidence carefully.</li> </ul>			<p>the team with occasional additional best practice training brought in, for example from the Ombudsman.</p> <p>Customer Feedback staff are encouraged to develop their skills via the Ombudsman's regular updates, press releases and special reports. This is then passed on to service managers.</p>
5.9	Where a response to a complaint will fall outside the timescales set out in this Code, the landlord must agree with the resident suitable intervals for keeping them informed about their complaint.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback At Stage 1</p> <p><i>"in exceptions, if it is not possible to fully reply within 10 working days the customer must be contacted by the responding officer, apologising, explaining why there is a delay and giving a clear timeframe for when the response will be received and will agree with the resident, suitable intervals for being updated on their complaint, when the response falls outside of the extended timescales"</i></p>

				<p><i>set out in this policy".</i></p> <p>At stage 2</p> <p><i>"in exceptions, if it is not possible to fully reply within 20 working days the customer must be contacted by the responding officer, apologising, explaining why there is a delay and giving a clear timeframe for when the response will be received and will agree with the resident, suitable intervals for being updated on their complaint, when the response falls outside of the extended timescales set out in this policy".</i></p>
5.10	Landlords must make reasonable adjustments for residents where appropriate under the Equality Act 2010. Landlords must keep a record of any reasonable adjustments agreed, as well as a record of any disabilities a resident has disclosed. Any agreed reasonable adjustments must be kept under active review.	Yes		Yes, this is in line with the council's equalities policy and working practices across departments.
5.11	Landlords must not refuse to escalate a complaint through all stages of the complaints procedure unless it has valid reasons to do so. Landlords must	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Brighton & Hove City Council's complaint policy details at Appendix B the

	clearly set out these reasons, and they must comply with the provisions set out in section 2 of this Code.			reasons that complaints may not be investigated and these are the same at Stage 2.
5.12	A full record must be kept of the complaint, and the outcomes at each stage. This must include the original complaint and the date received, all correspondence with the resident, correspondence with other parties, and any relevant supporting documentation such as reports or surveys.	Yes		This is all captured in the complaint case management database.
5.13	Landlords must have processes in place to ensure a complaint can be remedied at any stage of its complaints process. Landlords must ensure appropriate remedies can be provided at any stage of the complaints process without the need for escalation.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling">https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling</a>	This is included in staff training and guidance is provided to all staff on identifying an appropriate remedy at any stage.
5.14	Landlords must have policies and procedures in place for managing unacceptable behaviour from residents and/or their representatives. Landlords must be able to evidence reasons for putting any restrictions in place and must keep restrictions under regular review.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/how-we-deliver-customer-services/managing-unreasonable-customer-behaviour-policy">https://www.brighton-hove.gov.uk/council-and-democracy/how-we-deliver-customer-services/managing-unreasonable-customer-behaviour-policy</a>	This is referenced in Brighton & Hove City Council complaints procedure and outlined more fully in the wider policy.
5.15	Any restrictions placed on contact due to unacceptable behaviour must be	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-">https://www.brighton-hove.gov.uk/council-and-</a>	This is referenced in Brighton & Hove City

	proportionate and demonstrate regard for the provisions of the Equality Act 2010.		democracy/how-we-deliver-customer-services/managing-unreasonable-customer-behaviour-policy	Council complaints procedure and outlined more fully in the wider policy.
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## Section 6: Complaints Stages

### Stage 1

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.1	Landlords must have processes in place to consider which complaints can be responded to as early as possible, and which require further investigation. Landlords must consider factors such as the complexity of the complaint and whether the resident is vulnerable or at risk. Most stage 1 complaints can be resolved promptly, and an explanation, apology or resolution provided to the resident.	Yes		This is included in Brighton & Hove City Council complaints handling training.
6.2	Complaints must be acknowledged, defined and logged at stage 1 of the complaints procedure <b><u>within five working days of the complaint being received.</u></b>	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in Brighton & Hove City Council complaint procedure.  This is included in Brighton & Hove City Council complaints handling training.
6.3	Landlords must issue a full response to stage 1 complaints <b><u>within 10 working days</u></b> of the complaint being acknowledged.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in Brighton & Hove City Council complaint procedure.  This is included in Brighton & Hove City Council

				complaints handling training.
6.4	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 10 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Section amended based on Housing Ombudsman Compliance feedback. Policy wording updated to clarify that further extensions are in working days <i>"this should not exceed a further 10 working days without good reason"</i> .
6.5	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes		This is included in Brighton & Hove City Council complaints handling training.
6.6	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to Include: <i>"...explaining why there is a delay and giving a clear timeframe for when the response will be received. This should not exceed a further 10 working days without good</i>

				<i>reason. In this communication the customer will also be advised of their right to contact the Ombudsman".</i>
6.7	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes		This is included in Brighton & Hove City Council complaints handling training.
6.8	Where residents raise additional complaints during the investigation, these must be incorporated into the stage 1 response if they are related and the stage 1 response has not been issued. Where the stage 1 response has been issued, the new issues are unrelated to the issues already being investigated or it would unreasonably delay the response, the new issues must be logged as a new complaint.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to Include under section 7: <i>If related additional complaints are made before the Stage 1 response is issued, and it would not unreasonably delay the response, then a response to the related complaints will be incorporated into that Stage 1 response. If the additional complaints are not related, or would cause an unreasonable delay to the existing complaint being responded to, then a new Stage 1 will be logged.</i>



				<p>Policy wording at Appendix B will be amended to say:</p> <p><i>"matters already dealt with through appropriate complaint or appeal procedure and where that process has been exhausted - these matters will only be considered again as a new stage 1 complaint if new relevant evidence comes to light which may change the previous outcome"</i></p>
6.9	<p>Landlords must confirm the following in writing to the resident at the completion of stage 1 in clear, plain language:</p> <ul style="list-style-type: none"> <li>a. the complaint stage;</li> <li>b. the complaint definition;</li> <li>c. the decision on the complaint;</li> <li>d. the reasons for any decisions made;</li> <li>e. the details of any remedy offered to put things right;</li> <li>f. details of any outstanding actions; and</li> <li>g. details of how to escalate the matter to stage 2 if the individual is not satisfied with the response.</li> </ul>	Yes		<p>Brighton &amp; Hove City Council templates, internal guidance and staff training have been updated to reflect the full requirements.</p>

## Stage 2

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
6.10	If all or part of the complaint is not resolved to the resident's satisfaction at stage 1, it must be progressed to stage 2 of the landlord's procedure. Stage 2 is the landlord's final response.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the Brighton & Hove City Council complaint procedure and complaint handling training.
6.11	Requests for stage 2 must be acknowledged, defined and logged at stage 2 of the complaints procedure within five working days of the escalation request being received.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the Brighton & Hove City Council complaint procedure and complaint handling training
6.12	Residents must not be required to explain their reasons for requesting a stage 2 consideration. Landlords are expected to make reasonable efforts to understand why a resident remains unhappy as part of its stage 2 response.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the BHCC complaint procedure and complaint handling training.
6.13	The person considering the complaint at stage 2 must not be the same person that considered the complaint at stage 1.	Yes		In all cases where the customer is dissatisfied with the stage 1 complaint and requests escalation to stage 2, the complaint is escalated for review by a Customer Feedback Manager. The Customer

				Feedback Managers are independent of service areas who respond to Stage 1s.
6.14	Landlords must issue a final response to the stage 2 <b><u>within 20 working days</u></b> of the complaint being acknowledged.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to include</p> <p><i>"stage 2 complaints should be responded to within 20 working days of the complaint being acknowledged"</i></p> <p>This is set out in the Brighton &amp; Hove City Council complaint procedure and complaint handling training.</p>
6.15	Landlords must decide whether an extension to this timescale is needed when considering the complexity of the complaint and then inform the resident of the expected timescale for response. Any extension must be no more than 20 working days without good reason, and the reason(s) must be clearly explained to the resident.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to include:</p> <p><i>"this should not exceed a further 20 working days without good reason".</i></p>

				This is set out in the Brighton & Hove City Council complaint procedure and complaint handling training.
6.16	When an organisation informs a resident about an extension to these timescales, they must be provided with the contact details of the Ombudsman.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to include:  <i>"...explaining why there is a delay and giving a clear timeframe for when the response will be received. This should not exceed a further 20 working days without good reason. In this communication the customer will also be advised of their right to contact the Ombudsman".</i></p> <p>This is set out in the Brighton &amp; Hove City Council complaint procedure and complaint handling training.</p>

6.17	A complaint response must be provided to the resident when the answer to the complaint is known, not when the outstanding actions required to address the issue are completed. Outstanding actions must still be tracked and actioned promptly with appropriate updates provided to the resident.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	<p>Section amended based on Housing Ombudsman Compliance feedback. Policy wording now to include:  <i>A complaint response should be provided when the answer is known, not when outstanding actions to address the complaint are completed.</i></p> <p><i>Required actions must be monitored and the customer kept updated of progress.</i></p> <p>This is set out in the Brighton &amp; Hove City Council complaint procedure and complaint handling training.</p>
6.18	Landlords must address all points raised in the complaint definition and provide clear reasons for any decisions, referencing the relevant policy, law and good practice where appropriate.	Yes		Brighton & Hove City Council complaint handling training explains the need to check and refer to all relevant policy, procedure and legislation when investigating and responding to complaints.

6.19	Landlords must confirm the following in writing to the resident at the completion of stage 2 in clear, plain language: a. the complaint stage; b. the complaint definition; c. the decision on the complaint; d. the reasons for any decisions made; e. the details of any remedy offered to put things right; f. details of any outstanding actions; and g. details of how to escalate the matter to the Ombudsman Service if the individual remains dissatisfied.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in the Brighton & Hove City Council complaint procedure and complaint handling training.
6.20	Stage 2 is the landlord's final response and must involve all suitable staff members needed to issue such a response.	Yes		Brighton & Hove City Council Customer Feedback Managers work closely with services to ensure that responses are factually accurate and that the service agree to all recommendations, remedy and/or service improvement

### Section 7: Putting things right

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
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7.1	<p>Where something has gone wrong a landlord must acknowledge this and set out the actions it has already taken, or intends to take, to put things right. These can include:</p> <ul style="list-style-type: none"> <li>• Apologising;</li> <li>• Acknowledging where things have gone wrong;</li> <li>• Providing an explanation, assistance or reasons;</li> <li>• Taking action if there has been delay;</li> <li>• Reconsidering or changing a decision;</li> <li>• Amending a record or adding a correction or addendum;</li> <li>• Providing a financial remedy;</li> <li>• Changing policies, procedures or practices.</li> </ul>	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling">https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling</a>	This is included in staff training and guidance is provided to all staff on identifying an appropriate remedy at any stage.
7.2	Any remedy offered must reflect the impact on the resident as a result of any fault identified.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling">https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling</a>	Included in the guidance on remedies.
7.3	The remedy offer must clearly set out what will happen and by when, in agreement with the resident where appropriate. Any remedy proposed must be followed through to completion.	Yes		Any actions or service improvements identified through the complaint process are logged and reported up through

				departmental management teams for monitoring to conclusion.
7.4	Landlords must take account of the guidance issued by the Ombudsman when deciding on appropriate remedies.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling">https://www.brighton-hove.gov.uk/council-and-democracy/putting-things-right-guidance-remedying-faults-service-delivery-and-complaint-handling</a>	Our remedy guidance has been created based on the guidance from both the Housing Ombudsman Service and the Local Government and Social Care Ombudsman.



## Section 8: Self-assessment, reporting and compliance

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
8.1	<p>Landlords must produce an annual complaints performance and service improvement report for scrutiny and challenge, which must include:</p> <ul style="list-style-type: none"> <li>a. the annual self-assessment against this Code to ensure their complaint handling policy remains in line with its requirements.</li> <li>b. a qualitative and quantitative analysis of the landlord's complaint handling performance. This must also include a summary of the types of complaints the landlord has refused to accept;</li> <li>c. any findings of non-compliance with this Code by the Ombudsman;</li> <li>d. the service improvements made as a result of the learning from complaints;</li> <li>e. any annual report about the landlord's performance from the Ombudsman; and</li> <li>f. any other relevant reports or publications produced by the Ombudsman in relation to the work of the landlord.</li> </ul>	Yes	<p><a href="https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/annual-complaints-and-service-improvement-report-housing-management-service">https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/annual-complaints-and-service-improvement-report-housing-management-service</a></p>	The published report meets the requirements of this section

8.2	The annual complaints performance and service improvement report must be reported to the landlord's governing body (or equivalent) and published on the on the section of its website relating to complaints. The governing body's response to the report must be published alongside this.	Yes	<a href="https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/annual-complaints-and-service-improvement-report-housing-management-service">https://www.brighton-hove.gov.uk/council-and-democracy/feedback-about-council-services/annual-complaints-and-service-improvement-report-housing-management-service</a>	The report and governing body's response covers this requirement.
8.3	Landlords must also carry out a self-assessment following a significant restructure, merger and/or change in procedures.	Yes		We will do this as the need arises.
8.4	Landlords may be asked to review and update the self-assessment following an Ombudsman investigation.	Yes		We will do this as requested
8.5	If a landlord is unable to comply with the Code due to exceptional circumstances, such as a cyber incident, they must inform the Ombudsman, provide information to residents who may be affected, and publish this on their website Landlords must provide a timescale for returning to compliance with the Code.	Yes		We commit to doing this if an incident arises.

## Section 9: Scrutiny & oversight: continuous learning and improvement

Code provision	Code requirement	Comply: Yes / No	Evidence	Commentary / explanation
9.1	Landlords must look beyond the circumstances of the individual complaint and consider whether service improvements can be made as a result of any learning from the complaint.	Yes	<a href="#">Brighton &amp; Hove City Council Corporate Complaints Policy and Procedure</a>	This is set out in section 4 of the policy and is included in complaint handling training
9.2	A positive complaint handling culture is integral to the effectiveness with which landlords resolve disputes. Landlords must use complaints as a source of intelligence to identify issues and introduce positive changes in service delivery.	Yes		Reporting on trends and issues is provided regularly to senior managers in services to support introduction of positive changes to service delivery
9.3	Accountability and transparency are also integral to a positive complaint handling culture. Landlords must report back on wider learning and improvements from complaints to stakeholders, such as residents' panels, staff and relevant committees.	Yes		Reporting on actions, learnings and service improvements are provided back to services on a quarterly basis and included in quarterly briefings to members.
9.4	Landlords must appoint a suitably senior lead person as accountable for their complaint handling. This person must assess any themes or trends to identify potential systemic issues, serious risks, or policies and procedures that require revision.	Yes		Head of Tenancy Services performs this role and is also the SRO for the complaint handling review project designed to further improve complaint handling processes.

9.5	In addition to this a member of the governing body (or equivalent) must be appointed to have lead responsibility for complaints to support a positive complaint handling culture. This person is referred to as the Member Responsible for Complaints ('the MRC').	Yes		Yes, the Cabinet member for Housing.
9.6	The MRC will be responsible for ensuring the governing body receives regular information on complaints that provides insight on the landlord's complaint handling performance. This person must have access to suitable information and staff to perform this role and report on their findings.	Yes		MRC receives quarterly briefings and has full access to suitable staff to provide any further information that they require.
9.7	As a minimum, the MRC and the governing body (or equivalent) must receive: a. regular updates on the volume, categories and outcomes of complaints, alongside complaint handling performance; b. regular reviews of issues and trends arising from complaint handling; c. regular updates on the outcomes of the Ombudsman's investigations and progress made in complying with orders related to severe maladministration findings; and	Yes		MRC receives quarterly briefings to include the listed matters and the Corporate Director is copied to all Ombudsman decisions and discussed key decisions with the relevant lead councillor.

	d. annual complaints performance and service improvement report.			
9.8	<p>Landlords must have a standard objective in relation to complaint handling for all relevant employees or third parties that reflects the need to:</p> <p>a. have a collaborative and co-operative approach towards resolving complaints, working with colleagues across teams and departments;</p> <p>b. take collective responsibility for any shortfalls identified through complaints, rather than blaming others; and</p> <p>c. act within the professional standards for engaging with complaints as set by any relevant professional body.</p>	Yes		<p>This is contained within the complaint handling training and reiterated at all forums where complaints are discussed, including at senior decision-making level. A project is underway to review complaint handling processes to further improve these aspects of complaint handling.</p>



# Brighton & Hove City Council

## Audit, Standards and General Purposes Committee

## Agenda Item 25

**Subject:** Progress report on budget setting

**Date of meeting:** 23<sup>rd</sup> September 2025

**Report of:** Director of Finance and Property

**Contact Officer:** John Hooton  
Email: [john.hooton@brighton-hove.gov.uk](mailto:john.hooton@brighton-hove.gov.uk)

Haley Woollard  
Email: [haley.woollard@brighton-hove.gov.uk](mailto:haley.woollard@brighton-hove.gov.uk)

**Ward(s) affected:** All

**For general release**

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

- 1.1 The purpose of this report is to update the Committee on the Council's financial position, and consider progress being made setting the budget for 2026 onwards.

### **2. Recommendations**

- 2.1 That the Committee note the contents of this report and the appendix.

### **3. Context and background information**

- 3.1 The Council is setting its budget for April 2026 onwards in an incredibly challenging financial environment. Funding provided by central government to Councils has been cut by approximately 50% since 2010. Over that time, pressures and demand for services, particularly statutory services such as adults and children's social care, and provision of temporary accommodation, have risen significantly. When combined with other factors, such as inflation, this creates a significant challenge for the Council in setting its budget.
- 3.2 The report to Cabinet titled 'General Fund Budget Planning & Resource Update 2026-27 to 2029-30' is appended to this report. It shows that the Council's budget gap is £39.8m for the year 2026/27, and £95m over the 4 year period from 2026 to 2030. This gap is calculated by looking at the difference between the total expenditure the Council is projecting (i.e. costs of running services) set against the total income the Council is projecting to receive (Council Tax, grants from government, fees and charges). The Council is required legally to set a balanced budget each year. Progress on this is ongoing, and the draft budget proposals will be considered by Cabinet in December.

3.3 The Council is required to ensure arrangements for effective financial management and for ensuring that plans are in place to ensure financial sustainability over the long term. It is within the remit of the external audit to consider these arrangements, and also within the remit of the audit and standards committee to scrutinise these arrangements.

3.4 Further details of the Council's current financial position are set out in the July Cabinet report, which is appended to this report.

#### **4. Analysis and consideration of alternative options**

4.1 This is a report for information and for noting. Analysis of alternative options are considered in the appendix.

#### **5. Community engagement and consultation**

5.1 It is important that engagement takes place with residents, with partners, with businesses and with staff as the Council sets its budget and medium term financial strategy for 2026 onwards.

#### **6. Financial implications**

6.1 The financial implications of the council's General Fund forecast budget position over the Medium Term Financial Strategy are included in the main body of the Cabinet report from July 2025 which is appended.

Name of finance officer consulted: Haley Woollard

Date consulted: 12/09/25

#### **7. Legal implications**

7.1 There are no direct legal implications arising from this report. The Appendix sets out the more detailed legal implications relating directly to the Cabinet report

Name of lawyer consulted: Elizabeth Culbert

Date consulted: 12/09/25

#### **8. Risk implications**

8.1 The risk implications of this report are set out in the Cabinet report.

#### **9. Equalities implications**

9.1 As per Cabinet report.

#### **10. Sustainability implications**

10.1 As per Cabinet report.



## **11. Other Implications**

11.1 As per Cabinet report.

## **12. Conclusion**

12.1 The Committee is recommended to note and discuss the contents of this report.

## **Supporting Documentation**

### **Appendices**

1. Budget report to Cabinet, July 2025.



# Brighton & Hove City Council

## Cabinet

## Agenda Item 27

**Subject:** General Fund Budget Planning & Resource Update - 2026-27 to 2029-30

**Date of meeting:** Thursday, 17 July 2025

**Report of:** Cabinet Member for Finance and City Regeneration

**Lead Officer:** Name: Chief Finance Officer

**Contact Officer:** Name: John Hooton, Chief Finance Officer  
Haley Woollard, Deputy Chief Finance Officer

**Email:** [john.hooton@brighton-hove.gov.uk](mailto:john.hooton@brighton-hove.gov.uk)  
[haley.woollard@brighton-hove.gov.uk](mailto:haley.woollard@brighton-hove.gov.uk)

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

**Key Decision:** No

**For general release**

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

- 1.1 This report provides a budget planning and resource update as a key part of the preparation for the 2026/27 annual budget and Council Tax setting process together with Medium Term Financial Plan projections over the next 4-year period.
- 1.2 The council aims to align all spending, ringfenced and un-ringfenced, to support the achievement of Council Plan outcomes and priorities. The General Fund budget in particular is an expression of the Council Plan in financial terms and aims to ensure that revenue and capital budgets and investment plans are aligned to achieving the outcomes of the Council Plan for a 'better Brighton and Hove for all'.

### 2. Recommendations

That Cabinet:

- 2.1 Note the planning assumption of a Council Tax increase of 2.99% over the 4-year Medium-Term Financial Plan period and an Adult Social Care Precept of 2.00% or the equivalent in grant funding in 2026/27.
- 2.2 Note the funding assumptions and net expenditure projections for 2026/27 including a projected budget shortfall of £39.765 million.
- 2.3 Note the Medium Term financial projections for 2026/27 to 2029/30 and the predicted budget gaps totalling over £95 million over the period.
- 2.4 Agree the proposed budget development approach and that members will use this to develop 4-year medium-term service and financial plans and proposals for Budget Council consideration, including savings targets, to

enable a legally balanced budget in 2026/27 and enable the Council Tax for the year to be set.

- 2.5 Note that projections for next year and the Medium Term Financial Plan (MTFP) will be updated following government funding announcements expected in Autumn 2025.

### **3. Context and Background Information**

#### **BUDGET SETTING AND MEDIUM TERM FINANCIAL PLANNING**

##### **Overview**

- 3.1 The council's budget includes areas where funding is 'ring-fenced' and must be spent according to relevant government grant funding conditions and/or other statutory regulations. These include the funding of schools and special educational needs services through the Dedicated Schools Grant (DSG), Housing Benefits, Public Health services, and council housing (Housing Revenue Account) funded primarily by tenants' rents. All other un-ringfenced funding is used to provide the majority of council services for the city and is provided for in the 'General Fund' Revenue Budget.
- 3.2 The context for budget setting is very challenging. There are significant budget pressures arising from increases in demand from statutory services, particularly temporary accommodation, adults and children's placements, and home to school transport. Compounding this, a reduction in resources is anticipated as a result of the government's fair funding review, particularly as a result of the re-baselining of business rates, and changes to the indices used for local government funding that may not be beneficial to the council. These pressures and possible reductions in funding lead to a budget gap of nearly £40 million in 2026/27 and more than £95m over the 4 year MTFS period.
- 3.3 As well as ensuring the delivery of the Council Plan, the budget process has the overarching objective of ensuring financial sustainability over the short, medium and long term for Brighton and Hove City Council, within an exceptionally financially challenging environment. Through this budget process the budget gap for 2026/27 will need to be addressed in addition to the development of a longer term savings and transformation plan that spans the period from 2026 to 2030. To underpin the delivery of savings, and to enable the council to continue to deliver capital investment plans for the city, an asset disposals and capital receipts plan will also need to be developed. Financial sustainability is covered in more detail below.

##### **Local Financial Planning Context**

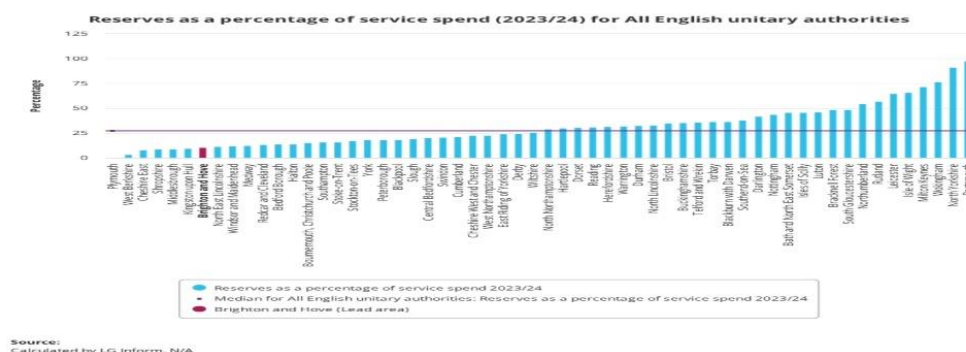
- 3.4 As legally required, the budget setting process will include the development of proposals to achieve a balanced budget in 2026/27 and will set out high-level plans to achieve financial sustainability over the 4-year Medium Term Financial Plan period. This will be important for a number of reasons including:
- Addressing the External Auditor's concerns, having assessed the council's financial sustainability as a 'significant weakness', by demonstrating that the council is setting its annual budget and

Council Tax in the context of understanding its longer term financial sustainability;

- 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 the delivery of Council Plan priorities and associated service planning is aligned with and reflected in medium-term financial planning, and;
- Ensuring that any budget shortfalls (gaps) in future years are identified early to enable longer term programmes of change and transformation to be instigated as soon as possible to generate the necessary savings, efficiencies or income.

## Financial Sustainability

- 3.5 The council has a significant financial sustainability challenge. As shown by the below graph, the council's reserves are at one of the lowest levels in the country, at a time when the financial risks for councils are perhaps greater than they have ever been. The council's lack of resilience in terms of reserves, its inability to withstand significant financial shocks, is a position that is unsustainable.



- 3.6 Many risks exist for councils across the country at the moment which are applicable to Brighton and Hove. These include the delivery of challenging savings targets, pressures on statutory services (particularly adults and children's social care and temporary accommodation) and inflationary pressures on the costs of services. What sets Brighton and Hove apart is not that these pressures exist here more than other places, but that the authority's low level of reserves means any of these risks individually or collectively could wipe out reserves. This is compounded by the expected reduction in government resources as a result if the fair funding review described in section 4,
- 3.7 Financial management across the organisation is generally fairly strong. The Council has achieved financial balance over the last two years (2023/24 and 2024/25), and there are robust processes in place to monitor and report the financial position throughout the year. However, there are some parts of the organisation where finances are less transparent and the management of the capital programme is not as robust as the processes in place for the general fund, HRA and schools budgets.
- 3.8 Looking at the overall picture, while there are strengths in terms of financial management, the low level of reserves is perhaps the greatest risk that

exists for Brighton and Hove Council. This position has been highlighted by the Local Government Association in their Corporate Peer Challenge (“The council has very little, to no, tolerance in its financial resilience... it needs to prioritise a plan to increase the overall level of reserves at pace”), by the External Auditors in their annual opinion (“a significant weakness in arrangements for financial sustainability remains”), and by MHCLG, who continue to indicate their concern around the council’s financial position. It is therefore imperative that a framework for financial sustainability is developed, agreed, and implemented, as a priority.

### ***Framework for financial sustainability***

- 3.9 There are many aspects to financial management that will lead to improved financial sustainability, for simplicity it is helpful to focus on some key elements:
- Strong in year financial management to ensure that no draw down on reserves or contingency is necessary (including management of service pressures through recovery actions or mitigating savings);
  - A robust transformation plan for the delivery of savings across the MTFS period;
  - Delivery of a stretch target for capital receipts of £40-50 million over the period, alongside use of flexible capital receipts to fund savings and transformation plans (as well as some existing capital programme commitments);
  - Rationalisation of the capital programme to de-risk the delivery of the capital receipts programme;
  - Setting a principle that no additional revenue spend or initiatives are agreed without compensatory savings being found (unless externally funded); and
  - Setting a principle that no additional capital projects are agreed without a compensatory decrease in other capital projects (unless externally funded).
- 3.10 If all of these elements are met, the resulting impact will be a build-up of the council’s reserves and balances, improving resilience and the ability to deal with future financial challenges or unexpected events/shocks.
- 3.11 The level of reserves that a council holds is ultimately a matter of judgement, however there are some comparisons and ratios that can be used as a guide. Often councils look at a ratio of 5% of the revenue budget for the general fund balance. This would equate to £12 million for Brighton and Hove City Council. Given the level of financial uncertainty and service pressures that exist in Brighton and across the country, it is recommended that this is increased to £15 million. Given other potential risks that exist for the council, the risk reserve target is set at £10 million to provide an additional buffer for unexpected financial shocks.
- 3.12 In summary, the target for general fund reserves is £15 million, and the target for the risk reserve is £10 million. The aspiration is to achieve this over a 3 year timeframe (by March 2029). However, the challenging budget gap over the MTFS will need to be addressed as a priority, and therefore

plans will be developed to meet the recommended increases along with addressing the budget shortfalls over the medium term.

### ***Addressing Projected Budget Shortfalls***

- 3.13 The TBM Month 2 (May) position for 2025/26, also being presented at this meeting, is a forecast overspend of £15.468m. This follows a challenging year for 2024/25 which required strong management action including strict spending and recruitment controls to achieve an underspend of £1.091m by the end of the year. The significant drivers of the 2025/26 forecast overspend is pressures on demand led services, but the forecast also includes savings agreed that are at risk of not being delivered. It's vital that sustainable methods of addressing the budget shortfalls to reduce the reliance on strict controls. This will help sustainably manage the financial position in future years to achieve financial sustainability.
- 3.14 The approach to tackling the budget shortfalls will be as follows:
- Urgently working to address in year budget pressures, particularly through focusing on areas of the most significant demand – temporary accommodation, adults and children's social care placements and home to school transport.
  - Developing transformation plans over the whole MTFS period that address budget shortfalls, also with a particular focus on tackling areas of the most significant demand. For example, the most significant budget pressure for the council is temporary accommodation. If homelessness prevention activity can be increased as well as increase the supply of more affordable accommodation, the council's budget gap could be significantly reduced. Work is also being undertaken to identify digital transformation projects that will improve services and contribute to meeting the budget gap.
  - Generating capital receipts of £40-50 million over the MTFS period to relieve pressures on general fund services, fund savings plans and transformation activity, and provide funding for new capital investment in priorities such as leisure centres, parks and improving the look and feel of the city.
- 3.15 This work will be overseen by an officer-led Savings Delivery Board with representation from services across the council.

## **4. RESOURCES UPDATES AND ASSUMPTIONS**

### ***Spending review***

- 4.1 The Chancellor's Spending Review (SR) announced on 11 June 2025 provided the following significant announcements for local government:
- A confirmation of multi-year settlements of 3 years from 2026/27. This provides some much welcomed certainty for the sector over the medium term after a series of one year settlements;
  - Confirmation on continuation of the ability for authorities with Adult Social Care responsibilities to increase council tax by 4.99% (2.99% core council tax and 2% ASC precept);

- Significant investment in social housing across the country, with £39 billion being allocated over the spending review period;
- Creation of the Crisis & Resilience Fund to replace the current Household Support Fund and Discretionary Housing Payments. A confirmation of this fund over the SR period comes after 3 years of short term allocations, allowing councils to better plan their use of the fund;
- Additional £4 billion of funding for Adult Social Care over the SR – this is partly to be funded by an increase in the NHS contribution to the Better Care Fund;
- An allocation of £550 million from the government’s Transformation Fund to reform children’s social care, and an additional allocation of £560 million to refurbish and transform children’s homes and foster care placements; and
- Provision of a further £950 million to the Local Authority Housing Fund to increase the supply of Temporary Accommodation.

## **Local Government Financial Settlement (LGFS)**

### ***Fair Funding Review***

- 4.2 On 20 June 2025, the government launched a consultation on its proposed approach to local authority funding for England through the Local Government Finance Settlement from 2026/27. The consultation (called Fair Funding Review 2.0) builds on the previous government’s proposals to reform local government funding, which was never implemented.
- 4.3 The proposals seek to simplify the funding model for local authorities, whilst reviewing the allocation methodology of resources. This is an effort to direct funding towards authorities with communities with the highest need and deprivation whilst recognising that some authorities have larger tax bases and therefore a greater ability to raise council tax.
- 4.4 The key considerations within the consultation include:
  - **Updated Relative Needs Formulas (RNFs);** These formulas estimate the demand for services and are the primary driver of grant proportion allocations across local authorities. The government have published indicative RNFs for all local authorities as part of the consultation. Under the proposals, BHCC would see its RNFs reduce on average by approximately 11%. Work is currently being undertaken to analyse the main drivers of the changes.
  - **Consolidation of grants;** in order to simplify local government funding, the government are proposing to roll a number of grants into the revenue support grant to reduce the number of grants and therefore the burden of administration. This is welcomed, but it will be evaluated as part of the consultation response, as to whether this simplification results in loss of sufficient complexity to assess need.
  - **Council Tax Equalisation;** the proposals includes a resource adjustment, using each local authority’s council tax base as a measure of its council tax raising ability to overlay the needs assessment. This will redistribute resources towards those authorities that have a reduced ability to raise council tax.



- **Transitional Arrangements;** the expectation is that changes in funding will be gradually introduced over the period of the spending review – i.e. a three year period.
- 4.5 The changes outlined above will create a new Settlement Funding Assessment for all Local Authorities in England. This is an assessment of each authority's overall need for resources. This will result in redistribution of funding between authorities from 2026/27 onwards.
  - 4.6 Alongside the Fair Funding Review, a full Business Rates Reset is planned for 2026/27. A reset represents a full redistribution of the business rate growth that local authorities have built up since the implementation of the Business Rates Retention Scheme in 2013/14. There is a close relationship between the Business Rates Reset and the Fair Funding Review, as the latter assesses the total level of resources needed for each authority which informs the level of business rates an authority should retain locally.
  - 4.7 The government have indicated that no local authority will lose funding on a cash basis comparing Core Spending Power (CSP) in 2026/27 to 2025/26. However, a key part of the change in CSP is council tax increases. An assumption of a council tax increase of 4.99% is already assumed as additional resources in the council's 2026/27 and future years budget setting assumptions, which creates additional resources of £9.866m in 2026/27.
  - 4.8 As a result of the breadth of changes in the Fair Funding Review and the Business Rates Reset, it is currently estimated that the council could lose revenue resources of between £7 million to £24 million over the medium term. The consultation is complex and technical, and therefore it's difficult to accurately model the impact at this stage. The MTFS therefore includes existing assumptions for grants, business rates and council tax. In addition, a pressure has been included which reflects a £14.500m loss of total revenue resources over a three-year transition period, the first £6.000m of which falls in 2026/27.
  - 4.9 There is still uncertainty surrounding the final impact of both the Fair Funding Review and Business Rates Reset, including the method of calculation and timing of any transitional arrangements. Work is being undertaken at pace to analyse the proposed changes and update the medium term financial strategy as the implications become clearer. This will be reflected in an updated report in December 2025.
  - 4.10 MHCLG have indicated that a Policy Statement will be released in Autumn (expected late September or early October), confirming their policy position and response to the consultation. This should provide enough detail for Local Authorities to be able to estimate the impact on their resources. This is expected to be followed by the publication of the Provisional LGFS before the end of the year (as early as late November).

## **Government Grants and Precepts**

### ***Revenue Support Grant (RSG)***

- 4.11 It's difficult to accurately assess the overall RSG at this stage. The council received £8.789m RSG in 2025/26. The base assumption is that RSG will be uplifted for 2026/27 by 1.63% (£0.143m). However, due to uncertainty of the

impact from the Fair Funding Review, any reduction of RSG is included in the £6.000m pressure in 2026/27 for total loss of resources in relation to the Fair Funding Review and Business Rates Reset.

- 4.12 The government is proposing to roll in a number of grants to the RSG, including a change in the needs assessment formula which will impact the distribution between authorities. The current expectation is that the following grants will be rolled into RSG:
- Social Care Grant (including new allocation of ASC grant announced)
  - ASC Market Sustainability & Improvement Fund
  - Domestic Abuse Safe Accommodation Grant
  - Employer National Insurance Contribution (NIC) Grant
  - New Homes Bonus
  - An element of the Homelessness Prevention Grant for temporary accommodation

#### ***Adult Social Care precepts and Better Care Funding (BCF)***

- 4.13 In recent years the government has provided additional resources to support Adult Social Care (ASC) through a combination of increased grant and ASC precepts. The Spending Review confirmed the continuation of the ASC precept of 2.0%. This is equivalent to £3.987m, and had already been included in the MTFS assumptions.
- 4.14 The Better Care Fund is a legal requirement for Local Authorities to pool funds with the NHS and it is proposed within the Fair Funding Review that the LA element of the BCF will remain as a stand alone Section 31 grant. The current budget assumptions include the BCF grant to be maintained at the same level as 2025/26 (£11.669m).

#### ***Children's Families & Youth Grant***

- 4.15 The consultation proposes to consolidate the Children's Social Care Prevention Grant and the Children & Families Grant. The council currently receives a total of £2.858m across these two grants. The current budget assumption is that the grants will be maintained at the same level.

#### ***Homelessness and Rough Sleeping***

- 4.16 The government intends to bring together all revenue funding for homelessness and rough sleeping, including the prevention and relief element of the Homelessness Prevention Grant (HPG). The remainder of the HPG (relating to temporary accommodation) will be rolled into RSG.
- 4.17 The government have consulted separately on funding arrangements for the HPG from 2026/27 onwards. This consultation indicated that the council would see a reduction of approximately 45% (£4.883m) of this grant. This reduction has been included as a service pressure.
- 4.18 There are still uncertainties remaining over the overall quantum of funding available, the transitional protections, and how the HPG will be split between the temporary accommodation element and the prevention and relief

element. There should be further clarity provided within the Local Government Finance Policy Statement in autumn.

### ***Public Health Grant***

- 4.19 The Public Health (PH) grant is expected to be consolidated with other service specific grants to deliver a wider PH grant. Details will be announced as part of the provisional LGFS. The PH grant is currently ringfenced, and the consultation is not clear on whether this will change. It is assumed that the grant will continue to be ringfenced and maintained at the current level (£24.298m).

### ***Crisis & Resilience Fund***

- 4.20 It has been announced that a new Crisis and Resilience Fund will be formed to include the current Household Support Fund (HSF) and Discretionary Housing Payments (DHP). It is assumed that the funding for 2026/27 will be maintained at the current level for the council (£4.418m across both HSF & DHP).

### **Business Rates**

- 4.21 The government is introducing significant changes to the business rates system in 2026/27. This includes:
- The introduction of three new multipliers which will provide a more complex system for assessing the business rates liability of different types of businesses;
  - A full Business Rate Reset, designed to redistribute growth accumulated by authorities since 2013/14;
  - A new rating valuation list. This will update the rateable values for all properties, adding further uncertainty in the level of business rates income.
- 4.22 The business rates forecast is difficult to assess at this stage. The forecast for 2026/27 has been based on the existing assumptions. This includes a growth assumption of 0.50% (equivalent to £0.303m), and an inflationary increase of 1.63% (equivalent to £1.020m).
- 4.23 The Business Rate Reset is expected to result in a loss of locally retained business rates; the business rate income from 2026/27 will be based on the revised settlement funding assessment which will be derived from the changes implemented by the Fair Funding Review. The reduction of business rates income is included in the £6.000m pressure in 2026/27 for loss of resources in relation to the Fair Funding Review and Business Rates Reset.
- 4.24 Business Rates forecasts continue to be an area of financial risk that is heightened by the unknown impacts of global financial events and the impact of current economic conditions on businesses. In addition, appeals continue to have a significant impact on forecasting business rates and the new valuation list will have its own level of appeal activity to forecast. Therefore, business rates estimates could change significantly ahead of setting the budget.

### **Council Tax**

### ***Council Tax Reduction Scheme***

- 4.25 The current Council Tax Reduction Scheme (CTR) was approved by full Council in February 2022. No changes have been made to the scheme, but the Council has approved the uplifting of earnings band thresholds in line with the changes to the National Living Wage announced by government.
- 4.26 The number of working age claimants increased by 2.3% in the year to 31 May 2025. The assumption in the projections is that the number of claimants and average awards will remain constant throughout 2025/26 and 2026/27 at the current overall levels. This assumption will be closely monitored throughout the year and will be updated with any changes to the scheme agreed by Council.

### ***Council Tax Estimate 2026/27***

- 4.27 The council tax increase for 2026/27 and future years of the MTFS is currently assumed at 4.99%, which includes the continuation a 2.0% increase for an Adult Social Care Precept. This follows the confirmation of the Chancellor of the continuation of the ASC precept over the period of the Spending Review.
- 4.28 The impact of the current financial climate on council tax income continues to be difficult to predict. New housing developments have been assumed for 2026/27, with a council tax base increase assumed of 0.87%. Over the last few years, the cost-of-living crisis has impacted on the council tax collection rate. It is therefore assumed to remain at the 2025/26 level of 98.75% rather than reverting to the pre-pandemic level of 99%.

### ***Corporate Inflation Provisions & Assumptions***

#### ***Pay***

- 4.29 At present there is no agreed pay offer for 2025/26 for the majority of staff. The employers' offer for 2025/26 for all NJC salaries is an increase of 3.2%. The 2025/26 budget included a 2.75% increase and, if this offer is agreed it therefore creates a pressure of £0.827m when rolled forward into 2026/27.
- 4.30 The current pay award assumption for 2026/27 is 2.75% on the basis that aside from a short term increase in early 2025, it is expected to reduce back to target levels in the later part of 2025 and early 2026. Pay has been a significant financial risk over the past 3 years during a period of very high inflation. Each 1% increase equates to an approximate pressure of £1.800m for the General Fund budget. This is also a significant risk area for the separate Schools and Housing Revenue Account budgets.

#### ***Pensions***

- 4.31 The most recent triennial review of the East Sussex Pension Scheme covered the period 2023/24 to 2025/26 and confirmed the employer contribution rate of 19.80% across the 3 years. The East Sussex Pension Fund, in common with many funds across the country, is currently performing very well in terms of investment performance. If this is sustained, this should be reflected in reduced employer contribution rates in the next triennial review, subject to other factors such as pay awards. The indicative outcome of the next triennial review should be available in November 2025.

#### ***Prices***

- 4.32 The provision for general price inflation ranges between 1.00% and 3.00% as a base position depending on the type of expenditure. The largest type of expenditure is Third Party Payments which covers the majority of non-staffing expenditure within adults and children's social care which has an assumed base position increase of 2.50%. The impact of inflation above these assumed base rates is separately identified as a 'Service Pressure' rather than applying generic increases to all service areas.

### ***Fees and Charges***

- 4.33 Fees and charges budgets for 2026/27 are assumed to increase by a standard inflation rate of 3.00%. Penalty Charge Notices (parking fines) are excluded from this increase as the levels of fines are set by government and cannot be changed independently. Temporary accommodation income is assumed to increase by 2.00% but this will ultimately be determined by government changes to the Local Housing Allowance rates.

### ***Commitments***

- 4.34 The budget projections for 2026/27 include commitments of £1.579m relating to the costs of previously approved capital investments funded by borrowing. During 2024/25 a review and rationalisation of the capital programme was undertaken to ensure approved projects are deliverable and affordable and this process will continue to inform the MTFS. The financing costs budget is net of investment income from cashflow surpluses which can fluctuate significantly through changes to the Bank of England base rate. A further Capital Programme review in 2025/26 will be undertaken. The results of this review, as well as revised investment income projections will be reflected in an updated financing costs budget for 2026/27.
- 4.35 Other substantial commitments include the reversal of one-off commitments and resources within the 2025/26 budget of £1.184m (including reversing the one off risk provision included in 2025/26 of £1.747m) and £0.550m recurrent IT&D resources to support the digital infrastructure. The pay award for 2024/25 is estimated to be £0.827m above the allowance in the budget and therefore this also becomes a commitment in 2026/27.
- 4.36 There is no recurrent funding for risk provisions included within the financial projections. For planning purposes, any risk provision would need to be managed by redirecting reserves in the short term.

## **5. ANNUAL BUDGET AND MEDIUM TERM FINANCIAL PLAN ESTIMATES**

- 5.1 The table below sets out the projected inflationary cost increases, demographic (demand) pressures and commitments for 2026/27. It's necessary for information for 2026/27 to be more detailed than future years as the council is required to set a legally balanced budget and set the Council Tax level for the following financial year.

<b>Projected Cost and Demographic Pressures 2026/27:</b>	<b>Estimate</b>
	£m
General Inflation assumptions including 2026/27 Pay Award	9.514
Budget Commitments (including capital financing)	3.839

Mainstream Digital funding	0.550
Change in contribution to reserves	3.015
2025/26 Pay Award above modelled allowance	0.827
Temporary Accommodation - demand & cost pressures	12.058
Adult Social Care - demand & cost pressures	9.003
Childrens Social Care - demand & cost pressures	4.680
Home to School Transport - demand & cost pressures	1.285
Estimated loss of funding from Fair Funding reform	6.000
Income pressure - New England House	1.200
Housing Benefit Subsidy Shortfall	0.400
All other pressures across Council Services	4.314
<b>Total Projected Cost and Demographic Pressures</b>	<b>56.685</b>
<b>Projected Funding and Taxation Resources:</b>	
Remove one-off Collection Fund deficits	-3.779
Confirmation of 2.00% ASC Precept	-3.987
Council Tax increase of 2.99%	-5.964
Council Tax estimated tax base growth (+0.87%)	-1.725
Business rates growth and appeals change (+0.50%)	-0.303
Business rates inflation	-1.020
Revenue Support Grant increase	-0.143
<b>Total Assumed/Projected Increase in Funding</b>	<b>-16.920</b>
<b>Projected Budget Gap (Savings Requirement) 2026/27</b>	<b>39.765</b>

- 5.2 The estimates and assumptions above, based on the best information available, indicate that a substantial budget gap of £39.765m would need to be addressed in order to balance the budget. However, it must be remembered that all estimates at this stage of the process are subject to change and will be reviewed and updated throughout the budget process.
- 5.3 For planning purposes, and recognising that it will take some months to develop robust saving and transformation proposals, the Corporate Leadership Team (CLT) and Directorate Leadership Teams (DLTs) will work on the basis of addressing the £39.765m shortfall identified above. This will also include focusing on managing costs and demands in the current year which can contribute to improving trends together with working up savings, cost reduction and demand management proposals for next year and the following 3 years.

#### **Medium Term Financial Projections 2026/27 to 2029/30**

- 5.4 The table below summarises the medium term estimates and predicted budget gaps for the next 4 years based on the following key assumptions:
- Demographic pressures are based on current trends for 2026/27 and then moderated estimates for 2027/28 onward;
  - A total £14.500m loss of funding from the Fair Funding Reform and Business Rates Reset over a 3 year period (£6.000m in 2026/27, £2.500m in 2027/28 and a further £6.000m in 2028/29);

- 2.99% Council Tax increases over the 4-year period;
- 2.00% Adult Social Care precept over the 4-year period;
- Average Pay award of 2.75% in 2026/27 and then 2.50% thereafter;
- 3.00% annual income target/generation uplifts in 2026/27 and 2027/28, and 2.50% thereafter;
- Average 2.50% social care third party provider payment increases over the 3 year ;
- Variable 1.00% to 3.00% cash limits on non-pay budgets over the 4-year period;
- Council Tax taxbase growth of 0.87% in 2026/27, 0.86% in 2027/28, and 0.61% in 2028/29 and 2029/30.
- Business Rates growth of 0.50% each year, and existing CPI assumptions of 1.63% in 2026/27, 1.64% in 2027/28 and 1.98% thereafter. This will be updated following the implementation of changes to the Business Rates Reset. Expected changes are currently built into the loss of funding at the second bullet point.

<b>Summary Projections and Budget Gaps</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£m	£m	£m	£m
Commitments (incl. previous decisions)	8.231	1.478	(0.448)	0.383
Net Inflation (on Pay, Prices, Income, Pensions)	9.514	9.132	9.842	10.219
<b>Subtotal</b>	<b>17.745</b>	<b>10.610</b>	<b>9.394</b>	<b>10.602</b>
Net Investment in priority/demand-led services	32.940	21.388	18.332	19.690
Net estimated loss of funding	6.000	2.500	6.000	0.000
Projected Net Tax Base changes	(16.920)	(13.846)	(14.258)	(15.019)
<b>Predicted Budget Gaps</b>	<b>39.765</b>	<b>20.652</b>	<b>19.468</b>	<b>15.273</b>

5.5 The medium term projections could be affected by a wide range of factors as follows:

- Higher or lower changes in resources from the Fair Funding Review than assumed;
- Higher or lower demands and cost pressures than projected;
- Higher or lower tax base movements;
- Further movements in locally or nationally negotiated pay;
- Higher or lower inflation than assumed;
- Changes in other grants received;
- Changes in interest rates (impacting on capital financing budgets); and
- Actuarial changes to employers' LG pension scheme contributions.

Many of these can have significant impacts on medium term projections in either direction. However, it is important to attempt to estimate future costs and resources as this gives early indications of potential future financial challenges and can inform decision-making now, particularly with regard to setting in train longer term innovation programmes to address financial sustainability.

- 5.6 Based on the analysis above, options to address budget gaps totalling £95.158m over the medium term period 2026/27 to 2029/30 will need to be developed. The indicative savings targets for each council directorate over the MTFS is outlined in the below table:

<b>Savings Targets</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£m	£m	£m	£m
Families, Children & Wellbeing	9.355	4.859	4.580	3.593
Homes & Adult Social Care	17.381	9.027	8.509	6.676
City Operations	8.972	4.659	4.393	3.446
Central Hub	4.057	2.107	1.986	1.558
<b>Total</b>	<b>39.765</b>	<b>20.652</b>	<b>19.468</b>	<b>15.273</b>

### **One-off Resource Requirements 2026/27**

- 5.7 One-off resources may be needed in 2026/27 for a wide range of reasons which could present additional financial challenges as these would require identification of resources to meet any commitments. One-off resources may be required to cover the following:
- Any Collection Fund deficits (TBM Month 2 monitoring indicates a £1.959m net deficit) \*;
  - Any General Fund outturn overspend (i.e. TBM overspend) \*;
  - Any increase to provisions or reserves required \*;
  - Any unavoidable/unexpected one-off expenditure or commitments;
  - Any one-off allocations for priorities (subject to availability of resources).

\* *The reverse is also true whereby surpluses or underspends could increase the availability of one-off resources or, at least, reduce the call on one-off resources.*

## **6. CAPITAL STRATEGY AND CAPITAL INVESTMENT PROGRAMME**

### **5 Year Capital Investment Programme**

- 6.1 The current Capital Strategy was approved by Budget Council in February 2025 along with scheme-by-scheme capital programme estimates that were incorporated into the council's Budget Book. The aim of the Capital Strategy is to ensure that all members can understand and determine the overall long-term policy objectives for the use and deployment of capital resources including borrowing. The capital expenditure estimates incorporate planned rolling investment programmes alongside major infrastructure, housing and sustainability schemes.



- 6.2 The majority of the council's capital investment is within longer-term programmes that support Council Plan priorities alongside significant capital projects. The key programmes and projects, aligned to the council's priorities, are as follows:

**Homes for Everyone:**

- New Homes for Neighbourhoods and Home Purchase Scheme;
- Investment in new build housing through the Housing Revenue Account and Housing Joint Venture (with Hyde Housing);
- Investment in maintaining and improving the Council Housing Stock and building safety through the Housing Revenue Account;
- The Strategic Investment Fund (SIF) to provide project support for major regeneration programmes that draw in substantial private sector investment.

**A Healthy City where People Thrive:**

- Investment in a new leisure centre at the King Alfred site;
- Investment in other leisure facilities such as the Withdean Sports Complex swimming pool and 3G pitches at Moulsecoomb and Hove Park;
- The Education Capital programme, which provides investment from central government including New Pupil Places, Education Capital Maintenance and Devolved Formula Capital for schools;
- Disabled Facilities Grant funded adaptations to support independence at home.

**A City to be Proud of:**

- Renovation and restoration of the Madeira Terraces;
- Development of the Black Rock site and Valley Gardens Phase III;
- Investment in the Royal Pavilion Estate supported by the Heritage Lottery;
- The Local Transport Plan (LTP) covering a wide range of transport-related schemes;
- Significant investment in coast protection programmes such as the Brighton marina to River Adur scheme;
- The Carbon Neutral investment programme.

**A Learning Council with Well-run Services:**

- The Information Technology & Digital Investment Fund to maintain and upgrade the council's infrastructure and IT architecture;
- The Corporate Systems Improvement (CSI) Programme to improve the council's core HR, Payroll, Finance & Purchasing systems and associated applications;

- The Asset Management Fund (AMF) to maintain operational buildings, improve sustainability and reduce long-term maintenance costs;
- Corporate Planned Maintenance (PMB) to undertake planned building works and upgrades;
- Vehicle and plant annual replacement programmes.

### Capital Receipts

- 6.3 Capital receipts from the sale of surplus land and buildings support the capital programme and the innovation fund to support council-wide transformation as outlined in section 7. A revised Capital Asset Strategy was approved by Cabinet in April 2025, which outlined five key principles to guide the strategic management of the council's extensive portfolio. In addition, the report identified a pipeline of property disposals which met the principles for disposal which supports the delivery of the Innovation Fund and Capital Programme.
- 6.4 Capital receipts are under severe pressure due to competing demands for the resources and the certainty and speed with which capital receipts can be realised. Additional staff resources have been deployed in Property and Legal services to support the delivery of these capital receipts. In addition to the Innovation fund, capital receipts are committed to annual investment funds including the Asset Management fund, Strategic Investment Fund and the Commercial Asset Investment fund as well as commitments within already approved capital schemes.
- 6.5 The table below reflects agreed capital disposals and commitments against the receipts. Capital Receipt commitments include existing and approved capital schemes together with an assumed minimum investment in the Innovation Fund of £24 million (see Section 7). The table shows a shortfall in capital receipts over the MTFS of £21.4 million. Further options to meet this resource requirement through either additional capital receipts or reduced commitments will be presented to Cabinet in due course.

Capital Strategy & Capital Receipts	Year 1	Year 2	Year 3	Year 4	Year 5
	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000
Brought forward balance	189	(1,890)	(6,827)	(12,328)	(18,897)
<b>Expected Capital Receipts</b>	<b>17,808</b>	<b>3,863</b>	<b>1,049</b>	<b>0</b>	<b>0</b>
Capital Receipt commitments	(19,887)	(8,800)	(6,550)	(6,569)	(2,500)
<b>Carry forward balance (deficit)</b>	<b>(1,890)</b>	<b>(6,827)</b>	<b>(12,328)</b>	<b>(18,897)</b>	<b>(21,397)</b>

### Review of the Existing Capital Programme and Future Requirements

- 6.6 The Capital programme, agreed at Budget Council in February 2025 included £246.946m investment plans for 2025/26. This included a large number of schemes reprofiled from 2024/25 and in some cases previous years. Further reprofiling is expected throughout 2025/26 as part of the

council's budget monitoring process and as the capital programme review is undertaken during the year.

- 6.7 As noted in paragraph 3.9, a key part of the budget process and in-year budget management will be a review of the capital programme and its affordability and deliverability. This will include further recommendations for rationalising and prioritising schemes, including de-commitment, to ensure approved projects are deliverable and affordable and to continue to strengthen alignment of capital investment to Council Plan priorities. The review will be performed alongside identifying and developing any new investment proposals to support Council Plan priorities or contribute to the council's medium and longer-term financial sustainability.

## **7. THE INNOVATION FUND (INVEST-TO-SAVE)**

- 7.1 Achieving transformation and change often involves significant one-off costs that cannot be afforded from revenue and cannot normally be funded by capital receipts or borrowing, for example, redundancy costs or project and programme management staffing. The government has extended the ability of all Local Authorities to use capital receipts to support the transformation of services to deliver savings and efficiencies (known as the Flexible Use of Capital Receipts) to March 2030.
- 7.2 The 2025/26 Budget approved in February 2025 included a four year Innovation Fund to 2028/29 with a total investment need of £20 million to support the transformation and change of services and invest-to-save proposals over the period of the MTFS. This report assumes that the council will further need to take advantage of the ability to fund transformation through the Flexible Use of Capital Receipts to support the MTFS over the four year period to 2029/30. Therefore the Innovation Fund is expected to be extended into 2029/30 on the same basis as 2028/29, increasing the overall investment need of the fund to £24 million.
- 7.3 The investment need over the period may need to be reviewed and updated in light of the significant budget gap over the MTFS and therefore the significant level of transformation that may be required to bridge the gap. However, any expansion of the Innovation Fund will create further pressure to increase the pipeline of capital receipts.

<b>Indicative Innovation Fund</b>					
<b>Category of Investment</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Invest-to-Save business cases	2.600	2.600	1.500	1.500	1.500
Digital and AI Development	1.000	1.000	1.000	1.000	1.000
Managing Staffing Changes (exit packages)	1.250	1.250	0.500	0.500	0.500
Enabling Resources (e.g Project Officers, Workstyles Team, HR etc)	1.000	1.000	1.000	1.000	1.000
Resources to generate Capital Receipts	0.150	0.150	0.000	0.000	0.000
<b>Total</b>	<b>6.000</b>	<b>6.000</b>	<b>4.000</b>	<b>4.000</b>	<b>4.000</b>

#### 7.4 The investments are described in outline below:

- **Invest-to-Save Business Cases:** The medium term planning process encourages innovation and invest-to-save business cases aimed at supporting the achievement of Council Plan priorities and, importantly, contributing to the future financial sustainability of the council. Business cases will need to demonstrate a return on investment within a reasonable time period (max 5 years) but ideally within the 4-year medium term financial plan period. A minimum investment of £9.7 million is anticipated but the profile of this is likely to be uneven and is most likely to need to be front-loaded.
- **Digital and AI Development & Skills:** Digital and AI is a specific form of invest-to-save. The council has already invested heavily in staff, systems and technologies to provide improved digital and on-line services. However, this process does not stop and as technologies, including AI and robotics, improve and develop, the council will need to move with the technology and ensure appropriate skills are developed to make the most of any investment. Provision of at least £1 million each year is included but some of this cost could potentially be transferred to revenue in later years if this is affordable within the overall budget envelope.
- **Managing Staffing Changes:** Transformation and change inevitably results in significant changes to services which will entail changes to the mix or level of staffing in services. This can lead to potential redundancies which the council attempts to manage through holding vacancies or redeployment as far as possible, but otherwise through voluntary severance where this meets the council's business case criteria. This can involve significant redundancy and/or pension strain costs. At least £4.0 million is expected to be required over the period.
- **Resources to generate Capital Receipts:** Generating sufficient capital receipts in good time to support both the Transformation Fund and Capital Investment Programme will require additional conveyancing and surveyor resources. Disposals are often complex and time-consuming, involving many parties, tenancies or other complications such as lease re-gearing or land and property transfer negotiations. Without additional resources, disposals will not succeed at pace and are unlikely to provide the necessary financial resources. An estimated investment of £0.150 million for the first two years is included above.
- **Transformation Enabling Resources:** Ensuring that transformation and change can be delivered requires resources that can be flexibly deployed across different programmes or to ongoing long-term change programmes. Informed by previous experience, the Innovation Fund provides resources of £1 million per annum to support a wide variety of transformation, change and savings programmes and projects. This will need to be reviewed as future budgets are developed and the level of support for each change proposal is fully understood. The costs are broadly expected to cover the following:

<b>Transformation Enabling – Recurrent Annual Costs</b>	
<b>Category of Investment</b>	<b>Annual Cost</b>
	£m
Project & Programme Management Resources	0.640
Workstyles Resources (to rationalise operational buildings)	0.180
HR Management of Change Support	0.128
Leadership Development	0.052
<b>Total</b>	<b>1.000</b>

## **8. HOUSING REVENUE ACCOUNT (HRA) BUDGET & CAPITAL PROGRAMME**

- 8.1 This report is primarily concerned with the development of the General Fund revenue and capital budget. However, there are links to the Housing Revenue Account (Council Housing) revenue budget and capital programme which follow a separate budget setting process. Summary information is provided below.
- 8.2 The Housing Revenue Account (HRA) is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.
- 8.3 The current economic and operating environment continues impact on the resources available to the HRA during 2025/26 and like many other HRA's, the authority is under increasing financial pressure with the latest Medium Term Financial Strategy showing a deficit over the next 5 years. This includes the rising cost and volume of disrepair claims, significant investment needs in relation to compliance with the Building Safety Act, Fire Safety Regulations and Social Housing Regulation Bill, as well as the impact of inflation on services and financing costs.
- 8.4 A continuing issue for the council is investment requirement in 8 Large Panel System (LPS) blocks across the city. Whilst investment was anticipated over a longer period of time for these blocks, there is a need to ensure the blocks remain safe in the short to medium term with measures being introduced which require a significant revenue investment for the HRA over the short term. An emerging issue for 2025/26 has been the introduction of temporary measures in relation to fire safety procedures at a few of the high-rise blocks, referred to as 'waking watch'. Longer term plans are under consideration for the LPS blocks (as outlined in the options paper being presented on this agenda), the with required capital investment forming part of future budget papers where reasonable estimates can be made.
- 8.5 The recent Government spending review announced a long-term rent policy whereby social rented landlords will be able to increase by CPI+1% for the next ten years and consultation to commence on rent convergence. The 2025/26 Medium Term Financial Strategy assumed an increase of CPI+1% for the next 5 years only, therefore the move to a CPI+1% model will have a positive impact on HRA finances over the longer term.

- 8.6 The capital plan for the HRA is split into two main areas in investment, this being improving the quality, safety, and energy efficiency of council homes and in new housing supply. Investment in existing stock is funded from direct revenue funding from tenants' rents (including associated rent rebates) and HRA borrowing that is supported by tenants' rents over a longer period. Whilst investment in new supply is mainly funded from retained capital receipts (including Right to Buy sales and commuted sums), grant funding and HRA borrowing.
- 8.7 The HRA capital investment programme for 2025/26 to 2029/30 will be informed by the most recent stock condition review and survey as well as the existing and emerging priorities of the HRA Asset Management Strategy. Key considerations will include improving the safety and quality of homes and ensuring regulatory compliance is met. This includes working in consultation with external bodies such as the Regulator of Social Housing and East Sussex Fire and Rescue Authority, as well as tenants and leaseholders to inform the planned and major works strategy. Investment will also continue in carbon reduction initiatives to support the city's commitment of becoming carbon neutral by 2030.
- 8.8 The HRA continues to look at the range of initiatives it has to deliver additional housing and meet the commitment to deliver new affordable council homes. These initiatives include the New Homes for Neighbourhoods Programme, Home Purchase Scheme, Converting Spaces programmes and the Homes for the City of Brighton & Hove Joint Venture.
- 8.9 Work will continue through 2025/26 to deliver housing supply pipeline schemes. The Home Purchase Scheme will continue to explore opportunities to buy back ex-right-to-buy properties, whilst the extended Home Purchase Scheme will look at off the shelf purchase opportunities to increase the supply of affordable housing within the HRA.

## **9. SCHOOLS BUDGETS AND FUNDING**

- 9.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant that provides funding for Schools, Academies, Early Years, Special Educational Needs and a small number of allowable Central items. The DSG is allocated to schools and academies on the basis of a National Funding Formula (NFF) primarily driven by pupil numbers.
- 9.2 Similarly to the HRA, the development and setting of schools' budgets follows a separate process involving statutory consultation and oversight of the Schools Forum. However, there are links with the General Fund budget setting process as General Fund budget proposals and savings can potentially impact schools and vice versa.
- 9.3 Announcements regarding the 2026/27 Dedicated School Grant (DSG) allocation are expected in July 2025. No detailed information is available regarding this, other than the high level government announcements in the June 2025 Spending Review that the core schools budget would go up by 0.4% in real terms on average over the next three years and that a transformation fund will deliver £760m nationally to reform the SEND system (a new white paper is due to be published in autumn 2025). Therefore, an overview and update of the 2025/26 budget position is provided below.

- 9.4 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).
- 9.5 In March 2025, the Department for Education (DfE) announced the updated DSG funding settlement for the 2025/26 financial year. This is set out in the table below, together with a comparison to 2024/25.

Financial Year	Schools Block £'000	Central School Services Block £'000	High Needs Block £'000	Early Years Block £'000	Total DSG £'000
2025/26	176,362	2,316	41,979	41,079	261,736
2024/25	165,039	2,091	39,332	27,351	233,813
<b>Increase</b>	<b>11,323</b>	<b>225</b>	<b>2,647</b>	<b>13,728</b>	<b>27,923</b>

- 9.6 Whilst funding allocations across all blocks have increased in 2025/26 it is difficult to draw direct comparisons with the prior year due to changes in accounting arrangements, particularly within the Schools Block. For 2025/26, a number of former specific grants are being rolled into core Schools block funding (these equated to approximately £9.4m in 2024/25) meaning the true increase in Schools block funding is significantly lower than the £11.323m shown in the table above.

#### ***Schools Block – Base 2025/26 Allocations***

- 9.7 As set out above, there are significant presentational changes to the way mainstream schools are being allocated funding in 2025/26. Once these changes are allowed for, the level of increase in funding to schools is estimated to only be between 0.5% and 1% for 2025/26. As funding to schools is pupil-led, schools with falling rolls are in a very challenging financial position in for 2025/26, in the context of unavoidable cost pressures such as pay award increases that are not fully funded. The government has recently announced additional in-year grant funding to schools to support with the pay award costs however schools will be expected to find approximately 1% through improved productivity and smarter spending.
- 9.8 Furthermore, the core 2025/26 DSG settlement included no funding for the increase in Employers' National Insurance contributions from April 2025. For schools and other areas within the DSG, additional in-year grant funding has been announced by government to compensate for the increase in costs, but it is estimated that this grant will only cover 80% of the cost increase.
- 9.9 It should be noted that the Schools Block pupil numbers have decreased from 28,972 in October 2023 to 28,545 in October 2024. This is a reduction of 427 pupils and equates to an overall loss of DSG Schools Block funding to the local authority of c. £2.03m.

#### ***Updated School Balances Position***

- 9.10 School balances at the end of 2024/25 are a net deficit of £2.623m, a reduction of £2.904m from the £0.281m net surplus balance at the end of 2023/24. This is a key indicator of the financial challenges being experienced.

<b>Schools Balances</b>	<b>Nursery £'000</b>	<b>Primary £'000</b>	<b>Secondary £'000</b>	<b>Special £'000</b>	<b>Total £'000</b>
Final 2023/24 balances	24	-1,143	2,048	-648	281
Final 2024/25 balances	163	-2,665	-395	274	-2,623
<b>Movement</b>	<b>139</b>	<b>-1,522</b>	<b>-2,443</b>	<b>922</b>	<b>-2,904</b>

#### ***Final School Budget Plans and Licensed Deficits 2025/26***

- 9.11 Final school budget plans for 2025/26 are submitted during summer term 2025 and these will incorporate final balances from 2024/25. It is likely that due to the worsening financial position in schools the level of required licensed deficits will increase for 2025/26.
- 9.12 At the time of compiling this report, based on final budget plans and allowing for the impact of the higher than anticipated pay awards and additional government grant funding (referred to in paragraph 9.7) the school balances position at the end of 2025/26 is estimated to be a net deficit of £6 million. Detailed work is ongoing with schools to ensure appropriate measures and steps are being implemented to bring school budgets back to a balanced position in future years.

#### ***Dedicated Schools Grant (DSG)***

- 9.13 The Central DSG is comprised of the High Needs Block, the Central School Services Block and the Early Years Block. The outturn position of the 2024/25 central Dedicated Schools Grant was an overspend of £0.680m.
- 9.14 Currently, the government is providing legislation known as the Statutory Override facility that means any deficit associated with the Central DSG is excluded from the council's general fund financial position at the end of a financial year. The regulations require the negative balance (central DSG deficit of £0.680m) is held in an unusable reserve which remains there for the lifetime of the regulations. The override facility that was due to expire in March 2026 has now been extended until the end of the 2027/28 financial year.
- 9.15 The DSG conditions of grant set out that any local authority with an overall deficit on its central DSG account at the end of the financial year must be able to present a plan to the DfE and cooperate in handling that situation by:
- providing information, as and when requested by the DfE about its plans for managing its DSG account in the 2025/26 financial year and subsequently
  - providing information, as and when requested by the DfE about pressures and potential mitigations on its high needs budget
  - meeting with DfE officials, as and when they request to discuss the local authority's plans and financial situation
  - account and plans for handling it, including high needs pressures and potential mitigations



- 9.16 An initial plan showing the projected position for 2025/26 and 2026/27 has been compiled. This shows a potential cumulative overspend on the Central DSG of approximately £4.9m by the end of 2026/27.

### **High Needs Block**

- 9.17 The headline allocation of High Needs Block funding for 2025/26 is shown in the table in paragraph 9.5 above. The government increase in funding of c. £2.6m (6%) is below the demand and cost pressures the council is experiencing. Despite the increase in funding in 2025/26 it is projected that there will be an in year deficit in the high needs block of approximately £1.4m.
- 9.17 The council continues to seek to provide additional local specialist provision linked to the SEN Sufficiency Strategy. Furthermore, there has been additional investment in the council's schools through increases in the direct SEN support funding including to secondary schools for tier 1 and tier 2 alternative provision and more funding to primary schools for Inclusion Intervention spaces however, costs associated with the establishment of these provisions are high.

### **Early Years Block**

- 9.18 There are further extensions to free entitlement in 2025/26 resulting in a large increase to Early Years Block funding. For 2025/26 the main early years entitlements are:
- the 15 hours entitlement for eligible working parents of children from nine months;
  - the 15 hours entitlement for disadvantaged two-year-olds;
  - the universal 15 hours entitlement for all three and four-year-olds;
  - the additional 15 hours entitlement for eligible working parents of three and four-year-olds.
  - the additional (expanded) 15 hours entitlement for eligible working parents of children from the age of nine months from September 2025
- 9.19 Government funding rates increased for 2025/26 and there is a requirement for the local authority to pass on a minimum of 95% Early Years Block funding to providers. It is anticipated that the Early Years Block will be in breakeven position in the 2025/26 financial year.

## **10. BUDGET DEVELOPMENT TIMETABLE**

- 10.1 The indicative timetable for developing and approving the 2026/27 budget and MTFs is given below. The timetable is in outline only and does not include all aspects of member involvement or wider consultation that will normally need to be undertaken with staff, unions, partners, service users and residents.

<b>General Fund Budget Planning Timetable</b>		
<b>Date</b>	<b>Who</b>	<b>What</b>
17 July 2025	Cabinet	General Fund Budget Planning & Resources Update 2026/27 to 2029/30
July – Oct	CLT	Develops Medium Term service and financial plans including the workstreams set out in this report

General Fund Budget Planning Timetable		
Date	Who	What
		(paras <b>Error! Reference source not found.</b> and 3.10) and budget proposals to address budget gaps for 2026/27 to 2029/30 alongside developing Equalities Impact Assessments
Late Sept/early Oct	Government	Local Government Finance Policy Statement expected
16 Oct 2025	Cabinet	TBM month 5 (August)
Late Oct	Government	Autumn Budget announcement
Nov/Dec	CLT	Consultation process begins on draft 2026/27 proposals including staff, Trade Unions, partners & residents
Late Nov/early Dec	Government	Provisional Local Government Finance Settlement 2026/27
11 Dec 2025	Cabinet	(1) General Fund Budget Planning & Resources Update 2026/27 to 2029/30 (2 <sup>nd</sup> update to include 1 <sup>st</sup> draft of savings proposals) (2) TBM Month 7 (October)
22 Jan 2026	Cabinet	Council Tax and Business Rates Tax Base report [Legal requirement]
February 2026	Government	Final Local Government Financial Settlement 2026/27
12 Feb 2026	Cabinet	(1) 2026/27 General Fund and HRA Revenue & Capital Budget reports including the Capital and Treasury Management strategies. (2) TBM month 9 (December).
26 Feb 2026	Budget Council	Approval of the 2026/27 General Fund and HRA Revenue & Capital Budget including the Capital and Treasury Management strategies.

## 11. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 11.1. The setting of the General Fund budget in February allows all parties to engage in the examination of budget proposals and put forward viable alternative budget and council tax proposals, including amendments, to Budget Council on 26 February 2026. Budget Council has the opportunity to debate the proposals put forward by the Cabinet at the same time as any viable alternative proposals.

## 12. COMMUNITY ENGAGEMENT AND CONSULTATION

- 12.1. This report will be shared widely with key stakeholders and partners as it signals to all parties the anticipated financial challenge facing the council for next year and beyond, notwithstanding the imperfect funding information available at this stage.
- 12.2. Whilst no specific consultation has been undertaken in relation to this report, the development of the council's budget and future plans is a major

undertaking and proposals can affect a wide range of services and therefore have impacts on residents, businesses, visitors and staff. Appropriate and necessary statutory consultation and engagement will need to be undertaken with residents, service users, staff, unions, partners, business representatives and the community and voluntary sector.

- 12.3. Detailed consultation and engagement plans will be put in place over coming weeks and months. In advance of any proposals coming forward for Cabinet in December 2025 as well as February 2025 for full Council approval. However, consultation and engagement is expected to include the following:

**General Information**

- 12.4. General information and advice about the council's budget will continue to be provided through the council's website which provides information and infographics on how money is spent on services, where the money comes from, the council's capital and transformation investment plans, and a summary of the financial challenges ahead. These materials will continue to be promoted through various media and communications throughout the budget setting period.

12.5. **Community and Resident Engagement**

- 12.6. Engagement with residents and the community is an important part of understanding residents' priorities for spending the council's budget within the challenging resource limitations experienced by local government for many years. In previous years, including during the lead up to the 2025/26 budget process, the council has undertaken a range of methods of consultation. This has included utilising a budget simulator model and undertaking public budget engagement events. This has helped to capture residents views on priorities of spending to help inform members' decision-making.

- 12.7. A plan for consulting with the community and residents will be developed and included in the budget setting timeline. Any events or consultation platforms will be advertised on the council's website.

**City Partners**

- 12.8. Information will also be shared with City Partners through the City Management Board and other channels. In particular, the council continues to engage fully with the NHS Sussex Integrated Care System to ensure that the budget processes of the two organisations are aligned and communicated as far as practicably possible although this presents challenges as NHS funding announcements are normally announced much later than Local Government, often close to or even after the start of the next financial year.

**Business Engagement**

- 12.9. There is ongoing liaison and discussion with the Economic Partnership that covers potential funding sources and bids, city regeneration, economic growth, employment and apprenticeship strategies. Officers of the council and members of the Administration meet periodically with representatives of the Chamber of Commerce and B&H Economic Partnership to discuss the council's high-level plans and over-arching budget situation.

### **Schools Community**

- 12.10. The Schools Forum, a consultative body attended by representatives of all school phases, will primarily focus on the allocation of the ring-fenced Dedicated Schools Grant (DSG) funding across the relevant budget 'blocks' but will also be periodically informed about the General Fund budget position and proposed changes to council services where these may have implications for schools.

### **Third Sector Engagement**

- 12.11. A key stakeholder is the Community & Voluntary Sector, and communications and meetings with representatives of the sector will therefore be planned to provide them with an opportunity to feedback their views to the council and members as budget proposals develop.

### **Staff and Union Engagement**

- 12.12. Consultation and engagement with staff and unions is also very important. The scale of financial challenge indicates further significant impacts on the configuration and/or provision of services which will inevitably entail staffing changes. Meetings with the council's recognised unions, including appropriate officers and members of the Administration, will be scheduled regularly to keep unions abreast of developing proposals and to ensure they have sight of where support to their memberships may be required. The council's Joint Staff Consultation Forum will continue to provide a formal setting for sharing and raising matters relating to the overall budget process and development.
- 12.13. Later in the process, detailed proposals will be shared with affected staff ahead of formal publication of budget proposals through Departmental Consultative Groups (DCGs) and through line management. Formal consultation and engagement with directly affected staff will be undertaken as normal, including relevant union representation, under the council's Organisation Change Management Framework.
- 12.14. Wider staff engagement will be provided through 'In conversation' sessions with the Chief Executive and through directorate consultation and engagement event. Further updates and communications for staff will be provided via the council's intranet, corporate email broadcasts and the Chief Executive's communications.

### **Specific Consultation**

- 12.15. As budget proposals are explored and developed over the coming weeks and months, it is recognised that specific consultation may be required for individual proposals as they emerge. CLT and DLTs will consider the impact and timing of any specific consultation requirements as proposals are developed.

## **13. Financial Implications:**

- 13.1. The financial implications are contained in the body and appendices of this report.

Finance Officer consulted: Haley Woollard

Date: 30/06/25

#### **14. Legal Implications:**

- 14.1. The process of formulating a plan or strategy for the council's revenue and capital budgets falls within the Allocation of Responsibilities for Functions for the Cabinet under Part 2E of the constitution.
- 14.2. This report complies with the Council's process for developing the budget framework, in accordance with the Council's Budget and Policy Framework Procedure Rules as set out in Part 3D of the Constitution.

Lawyer consulted: Elizabeth Culbert

Date: 02/07/25

#### **15. Equalities Implications:**

- 15.1. For any significant budget changes proposed in 2026/27, it is proposed to use the council's well-established screening process to develop Equality Impact Assessments (EIAs). Key stakeholders and groups will be engaged in developing EIAs but it will also be important to consider how members, partners, staff and unions can be kept informed of EIA development and the screening process. In addition, where possible and proportionate to the decision being taken, there may be a need to assess the cumulative impact of the council's decision-making on individuals and groups affected in the light of funding pressures across the public and/or third sectors. The process will ensure that consideration is given to the economic impact of proposals.

#### **16. Sustainability Implications**

- 16.1. The council's revenue and capital budgets will be developed with sustainability as an important consideration to ensure that, wherever possible, proposals can contribute to reducing environmental impacts and support progress toward a carbon-neutral city.

#### **17. Health and Well-being Implications**

- 17.1. The council's budget includes very substantial provision for expenditure on Adult and Children's Social Care, Public Health, Housing and Homelessness, Welfare Assistance (for example the Council Tax Reduction Scheme), Education and Skills, and many other essential services that support vulnerable people and children, and households on low incomes or experiencing homelessness. These services contribute significantly to the health and well-being of thousands of residents and the wider population, upholding the council's priority to support 'A healthy city where people thrive' and engender 'A fair and inclusive city'.

#### **18. Other Implications**

##### **Risk and Opportunity Management Implications:**

- 18.1. There are a range of risks relating to the council's short and medium term budget strategy including the ongoing economic impact of the higher inflationary environment, the impact of the cost-of-living crisis, further potential reductions in grant funding, the impact of legislative changes, and/or other changes in demands. The budget process will normally include recognition of these risks and identify potential options for their mitigation. In the current financial climate, the level of risk that the council may be prepared to carry is likely to be higher than in normal

circumstances. An indication of potential risks and sensitivities will be presented in the December 2025 report.

## **19. Conclusion**

- 19.1. The council is under a statutory duty to set its budget and council tax before 11 March each year. This report sets out information on projected costs, investments and resources for 2026/27 to 2029/30. It also provides an outline timetable for considering options to develop the 2026/27 annual budget and address future budget shortfalls identified in the current MTFS.

## **Supporting Documentation**

### **Appendices**

1. Updated Medium Term Financial Assumptions and Projections

## MEDIUM TERM FINANCIAL STRATEGY TABLES

## Core Planning Assumptions

The table below sets out the core planning assumptions included in the MTFS projections:

	2025/26	2026/27	2027/28	2028/29	2029/30
<b>Pay inflation and pay related matters:</b>					
- Provision for pay award	2.75%	2.75%	2.50%	2.50%	2.50%
- Employers pension contribution rate change	0.00%	0.00%	0.00%	0.00%	0.00%
<b>General inflation:</b>					
- Inflation on social care third party payments	3.00%	2.50%	2.50%	2.50%	2.50%
- Inflation on non-pay expenditure	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%	1.00% - 3.00%
- Inflation on waste PFI	3.50%	3.50%	3.50%	3.50%	3.50%
- Inflation on income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on parking income	3.00%	3.00%	3.00%	2.50%	2.50%
- Inflation on penalty charge notices	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Resources:</b>					
Change to Revenue Support Grant (RSG)	1.65%	1.63%	1.64%	1.98%	1.98%
Business rates poundage inflation uplift	1.65%	1.63%	1.64%	1.98%	1.98%
Assumed council tax threshold increase	2.99%	2.99%	2.99%	2.99%	2.99%
Adult Social Care Precept	2.00%	2.00%	2.00%	2.00%	2.00%
Council Tax Base	1.50%*	0.87%	0.86%	0.61%	0.61%

\*Included the introduction of Second Homes Premium which is equivalent to a 0.9% increase in the tax base

## Summary of MTFS projections

The table below sets out the savings /budget gap, taking into account the anticipated expenditure over the MTFS period and the funding resources available:

Medium Term Financial Strategy 2026 to 2030	2026/27	2027/28	2028/29	2029/30
	£m	£m	£m	£m
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>
Remove net one off short term funding and expenditure	0.000	0.000	0.000	0.000
<b>Net Budget Requirement B/Fwd</b>	<b>264.819</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>
Standard Pay and Inflation – Expenditure	12.724	12.682	12.965	13.421
Standard Inflation - Income	(3.210)	(3.550)	(3.123)	(3.202)
Demographic and inflationary pressures in Adult Social Care including Adult Learning Disabilities	9.003	12.644	13.480	14.320
Demographic and inflationary pressures for Children’s disability, Children in Care, and Care Leavers	4.680	1.477	1.543	1.385
Temporary Accommodation and Rough Sleepers - cost and demand pressures	12.058	1.100	1.762	1.650
Home to School Transport - cost and demand pressures	1.285	0.689	0.769	0.849
Estimated loss of funding from Fair Funding Reform	6.000	2.500	6.000	0.000
Income Pressure: New England House	1.200	0.000	0.000	0.000
Housing Benefit Subsidy Shortfall	0.400	0.000	0.000	0.000
All other pressures across council services	4.314	5.478	0.778	1.486
Commitment - Change in contributions to/from reserves	3.015	(1.125)	0.000	0.000
Commitment - Change in financing Costs	1.579	0.115	(0.054)	0.133
Commitment - Pay award 2025/26 above 2.75% inflation assumption	0.827	0.000	0.000	0.000
Commitment - impact of previous decisions, grant changes and assumptions	2.810	2.488	(0.394)	0.250
Budget Gap (Savings Requirement)	(39.765)	(20.652)	(19.468)	(15.273)
<b>Budget Requirement C/Fwd</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>

<b>Funded by:</b>				
Revenue Support Grant	8.932	9.078	9.258	9.441
Locally retained Business Rates	63.507	64.862	66.468	68.114
Collection Fund position	0.000	0.000	0.000	0.000
Council Tax including Adult Social Care Precept	209.300	221.645	234.117	247.307
<b>Total Funding</b>	<b>281.739</b>	<b>295.585</b>	<b>309.843</b>	<b>324.862</b>



# Brighton & Hove City Council

## Audit Standards & General Purposes Committee

## Agenda Item 26

**Subject:** Interim update on the Council's Whistleblowing Arrangements

**Date of meeting:** 23rd September 2025

**Report of:** Elizabeth Culbert – Director Governance & Law

**Contact Officer:** Name: Victoria Simpson, Senior Lawyer – Corporate Law  
Email: Victoria.Simpson@brighton-hove.gov.uk

**Ward(s) affected:** All

**For general release**

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

- 1.1 The purpose of this report is to note the Whistleblowing referrals and outcomes received in since the Council's updated Whistleblowing Policy was approved by Committee in April 2025. This interim Report seeks to update members in advance of the forthcoming annual review, which will consider twelve months' data up to April 2026.
- 1.2 The report links directly to the Council Plan priority to be a responsive Council with well-run services. The Council has committed to listen to our customers and staff, regularly monitor performance and embed good governance throughout the organisation. A robust Whistleblowing process is a key part of ensuring this good governance.

### **2. Recommendations**

- 2.1 That Committee notes the report, including the whistleblowing referrals and outcomes.

### **3. Context and background information**

- 3.1 The Council has adopted the Whistleblowing Policy attached at Appendix 1. The policy seeks to enable individuals to feel confident in raising concerns in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation. The policy commits to deal with disclosures of wrongdoing made, sets out how to raise concerns, the role of the Monitoring Officer to review disclosures and appoint investigators, the protection and support for disclosers, and the action to be taken following an investigation.

- 3.2 A visible and accessible process for raising whistleblowing concerns should function as a deterrent to malpractice, encourage openness, promote transparency, and underpin the risk management systems of the Council.
- 3.3 The Committee agreed that an Annual report will be presented to Audit, Standards and General Purposes Committee detailing the number of incidents which have been reported, including a brief summary of the nature of the issues raised in the allegation and action being taken (but without compromising anonymity in any way).
- 3.2 Whistleblowers are encouraged not to seek anonymity so that the information can be explored in detail. However, making an anonymous report (including via the Council's dedicated whistleblowing email address) remains an option. All requests for anonymity are respected unless there is a legal obligation to disclose the information.
- 3.3 To encourage the visibility and use of these processes, the Council publishes the Policy on the Wave and the Council's website and includes information on the Policy at staff inductions. Periodically the Council will undertake additional publicity to raise awareness, such as in Director's Blogs and employee payslips. In addition to the Whistleblowing Policy, the Council has adopted an anonymous reporting for employees who wish to raise individual HR matters relating to their employment.

#### **Data on whistleblowing complaints**

- 3.4 In April 2025 Members received data on the volume of whistleblowing concerns raised over the previous 5 years up to April 2025 and on the themes of those concerns. The data is replicated below for ease of reference:

Year	2020 - 21	2021- 22	2022 -23	2023 -24	2024 -25	Theme
	3	1	4	3	9	Allegations against a staff member(s)
	3	3	5	4	3	Fraud
	3	6	4	5	8	Management/ processes
		1				Other
<b>Total</b>	<b>9</b>	<b>11</b>	<b>13</b>	<b>12</b>	<b>20</b>	

- 3.5 For the period April 2025 to 31<sup>st</sup> August 2025, 10 whistleblowing referrals were received, details are set out below.

Table 1 – whistleblowing referrals received in between April 2025 - 31<sup>st</sup> August 2025

Ref no. & Date	Source	Relevant Directorate	Theme	Outcome
144 (Aug 25)	Resident	City Operations	Concern regarding external supplier.	Investigation ongoing.
145 Aug 25	Anonymous	Central Services	Concern regarding officer behaviour.	Investigation ongoing.  Anticipate conclusion September 25.
143 July 25	Resident	Housing and Adult Social Care	Concern regarding Council as Landlord.	Investigation closed. Outside scope of WB Policy – matter under review by Housing and Local Government Ombudsman
142 July 25	Employee	Central Services	Concern regarding staff safety in Council Buildings with access to the public.	Investigation ongoing.  Anticipated conclusion October 25.
141 June 25	Employee	Families, Children and Wellbeing	Concern regarding officer behaviour.	Investigation concluded. Recommendations made to Service.
140 May 25	Resident	Central Services	Concern regarding Council Social Media policy	Investigation concluded. Not upheld – clear, published policy in place.
139 May 25	Councillor	Central Services	Concern regarding social media post	Investigation concluded. Referred through disciplinary process and appropriate action taken.
137 May 25	Employee	City Operations	Concern regarding external supplier	Investigation completed. Recommendation for improvements to contract management process.
138 April 25	Resident	City Operations	Concern that Council complaints process not followed.	Investigation concluded. Finding that complaint appropriately dealt with internally and by Ombudsman.

Ref no. & Date	Source	Relevant Directorate	Theme	Outcome
136 April 25	Resident	Central Services	Concern regarding a Council lease	Investigation concluded. Finding that complaint had been raised and responded to fully under the Council's complaints procedure.

#### **4. Analysis and consideration of alternative options**

- 4.1 There are no consistent themes arising from the referrals made. They are spread across the Council's Directorates. There were 10 referrals made in the period April to September 2025, which aligns with the number of referrals received in the previous year (20 for a 12 month period). Where referrals are identified as outside the scope of the Policy, the complainant is informed (where they are known). In all cases where an investigation has been undertaken and a conclusion reached, the complainant (where they are known) is informed of the outcome.
- 4.2 The Council's whistleblowing arrangements are an important strand of its corporate governance framework and it is key to good governance to ensure the Policy is reviewed and kept up to date. Effective whistleblowing arrangements ensure that the Council takes seriously any issues which arise and deals with them appropriately.

#### **5. Community engagement and consultation**

- 5.1 Input was sought from key internal parties prior to the updating of the Council's Whistleblowing arrangements, however this Report is provided to members for monitoring purposes only.

#### **6. Financial implications**

- 6.1 There are no direct financial implications arising from this report. Effective whistleblowing arrangements helps strengthen the Council's control environment, assisting in protecting the Council from financial risk and loss due to unlawful or improper practices.

Name of finance officer consulted: Haley Woollard Date consulted: 10/09/25

#### **7. Legal implications**

- 7.1 The Public Interest Disclosure Act 1998 (PIDA) amended the Employment Rights Act 1996 ("the Act") to create a framework for whistleblowing across the private, public, and voluntary sectors. The Act provides individuals in the workplace with protection from victimization where they make a protected disclosure about malpractice or wrongdoing at work in accordance with the Act's provisions.

- 7.2 This Committee has delegated powers for the Council's whistleblowing arrangements, and as a result is the correct body to receive this Report.

Name of lawyer consulted: Victoria Simpson

Date consulted 20/08/25

## **8. Risk implications**

- 8.1 A failure to maintain fit for purpose whistleblowing arrangements which are transparent and ensure confidence in the organisation's willingness to recognise and deal with serious issue, could impact adversely on the Council's discharge of any number of its key functions. That could jeopardise its management of any of its key strategic risks

## **9. Equalities implications**

- 9.1 There are no adverse equalities implications arising from the report. An effective whistleblowing policy assists in tackling discrimination by making it easier to report allegations in confidence, via a process which provides mechanisms for identifying and remedying any failures in this/ any area.

## **10. Sustainability and other implications**

- 10.1 No sustainability or other implications have been identified.

## **11. Conclusion**

- 11.1 Committee is asked to note the data in this report regarding concerns raised during the period in scope. A full twelve months' data will be considered at the time of the next annual review of the Policy and its operation, in April 2026.

## **Supporting Documentation**

### **Appendices**

Appendix 1 Whistleblowing Policy

[Brighton & Hove City Council's Whistleblowing Policy](#)



# Brighton & Hove City Council

## Audit Standards & General Purposes Committee

## Agenda Item 27

**Subject:** Standards Update

**Date of meeting:** 23<sup>rd</sup> September 2025

**Report of:** Elizabeth Culbert, Director – Governance & Law and  
Monitoring Officer

**Contact Officer:** Name: Victoria Simpson, Senior Lawyer – Corporate Law  
Email: Victoria.Simpson@brighton-hove.gov.uk

**Ward(s) affected:** All

### For general release

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

- 1.1. To provide a quarterly update on complaints received in alleging that Members have breached the Council's Code of Conduct for Members and on related matters.

#### 2. Recommendations

- 2.1 That Committee agrees to note this Report.

#### 3. Context and background information

- 3.1. The Council is required by the Localism Act 2011 to have in place arrangements for dealing with complaints against elected and co-opted Members. Brighton & Hove City Council reviews its arrangements regularly and publishes them on its website. It also makes data on the member complaints it has received available to members and to the public, via quarterly reports.
- 3.2. The Audit, Standards and General Purposes Committee has delegated authority for leading in discharging the statutory requirement that the Council maintain and promote high standards of conduct by Members. These quarterly reports on complaints against members provide transparency as well as reassurance that complaints are being considered and dealt with in accordance with the Council's processes.

#### 4. Member complaints

##### Update on complaints previously reported to this Committee

- 4.1. This data is provided in Appendix 1, at table 1.

## Update on new complaints received in since the last Update in June 2025

- 4.2. This data is provided in table 2 of Appendix 1.
- 4.3. The complaints referred to in this section are being progressed by the office of the Monitoring Officer in accordance with the Procedure governing member complaints.

## Local Government & Social Care Ombudsman Decision

- 4.4 Since the last Standards update received by this Committee, the Local Government & Social Care Ombudsman has published its findings in relation to a challenge to the Monitoring Officer's decision to take no action in relation to complaints E, F & G2025. The Ombudsman considered the Council's procedures and took the view that they had been properly followed.

- 4.5 An extract from the Ombudsman decision is provided below for information:

*[ .. ] 7. In this case, I am satisfied the Monitoring Officer properly considered X's complaint before deciding the issues should not be considered further. The Monitoring Officer consulted the Independent Person and took account of the evidence available before deciding not to take further action. The Monitoring Officer also explained their reasons for not formally investigating X's concerns and the decision was in line with the Council's arrangements for dealing with code of conduct complaints.*

*8. X disagrees with the Monitoring Officer's decision. But the Monitoring Officer was entitled to use their professional judgment to decide X's complaint should not be investigated further. As the Monitoring Officer properly considered X's concerns it is unlikely I would find fault.*

### Final decision

*9. We will not investigate X's complaint because we are unlikely to find fault by the Council.*

## **5. Member training**

- 5.1 This Committee is aware that training and information on the Council's Standards arrangements is offered to all new and existing members. A training session for the new members elected at the May and September 2025 by-elections is currently being arranged. In addition, two (alternative) dates for refresher sessions for those existing members who have previously received training and wish to update their understanding will be offered before the end of the year. The latter will be made available to all co-opted voting members as well as to all elected members.

## **6 Proposed changes to the Standards Framework**

- 6.1 Committee has been alerted previously to the Government's stated desire to strengthen the framework which governs the conduct of members of local authorities. A substantive response, whether in the form of proposals for



legislative change or otherwise, is still not yet available. Committee will be informed of updates as and when those become available.

## **7. Analysis and consideration of alternative options**

- 7.1. The Council is obliged under the Localism Act to make arrangements for maintaining high standards of conduct among members and to make arrangements for the investigation of complaints. This Report draws attention to the wider picture without recommending specific options.

## **8. Community engagement and consultation**

- 8.1 Past reviews of the Council's Standards arrangements (most recently in 2021) have been carried out by its elected Members and the Council's Independent Persons, supported by officers who have provided stakeholder data as well as signposting relevant LGA resources.

## **9. Financial implications**

- 9.1 There are no direct financial implications arising from this report. Any activity in relation to monitoring standards and investigating complaints is met from existing budgets.

Name of finance officer consulted: Haley Woollard  
Date consulted: 29/08/25

## **10 Legal implications**

These are covered in the Report.

Name of lawyer consulted: Victoria Simpson      Date consulted 26/08/2025

## **11. Risk implications**

- 11.1 The Report to members in June 2025 noted the potential for pressures on the Council's resources if the types of changes which have been mooted. However at current time this remains speculation. Any risks and their potential impacts can only be considered in a meaningful way once the proposals are fully known and understood.

## **12. Equalities implications**

There are no equalities implications arising from this Report, which provides reassurance on the arrangements which have been developed with the need to ensure the Council and its members discharge their responsibilities with appropriate regard for equalities considerations in mind.

## **13. Sustainability implications**

No sustainability implications have been identified.

#### **14. Other Implications**

No other implications have been identified.

#### **15. Conclusion**

Members are asked to note the contents of this Report, which aims to assist the Council in discharging its responsibilities in this area.

#### **Supporting Documentation**

[Guidance on Member Model Code of Conduct Complaints Handling | Local Government Association](#)

[Strengthening the standards and conduct framework for local authorities in England - GOV.UK](#)

#### **Appendices**

Appendix 1 – data on member complaints previously reported to Committee (Table 1) and new Complaints (Table 2)

## **Appendix 1: Complaint data**

**Table 1 - Complaints previously reported to this Committee:** [\(Public Pack\)Agenda Document for Audit, Standards & General Purposes Committee, 24/06/2025 16:00](#)

URN	Date received	Date determined	If concluded, basis on which decision was taken	Complaint Topic	Additional notes
Q2025	14/05/2025	14/07/2025	Insufficient evidence was considered to exist at preliminary assessment stage to merit progressing this complaint, given that the member's input was not considered to overstep the established boundaries within which ward members engage.	A	Complaint regarding the conduct of a councillor in relation to a residential planning application.
R2025	04/06/2025	14/07/2025	Insufficient evidence was considered to exist at preliminary assessment stage to merit progressing this complaint, given that the relevant member was considered to have been acting in a personal capacity at the relevant time.	D	Complaint about the comments of a councillor during the pre-election period prior to a recent by-election.

**Table 2: Complaints received in since the report to June 2025 Committee**

URN	Date received	Date determined	If concluded, basis on which decision was taken	Complaint Topic	Additional notes
S2025	13/06/2025	27/08/2025	Insufficient evidence of a breach considered to exist at preliminary assessment stage to merit	D	Complaint about a social media post made by a member.

			progressing the complaint given that the member was considered to have been acting in their individual capacity when posting, this in in way which was in any event not considered have potential to amount to a breach of the Code.		
<b>T2025</b>	27/06/2025	27/08/2025	While conduct was considered to have potential to amount to disrespect, this complaint was determined informally after the member concerned acknowledged that their comments were inappropriately personal and apologised.	<b>D</b>	Complaint regarding online comments made by one elected member about another.
<b>U2025</b>	03/07/2025	Ongoing	Not yet concluded – still being considered by the Monitoring Officer at preliminary assessment stage	<b>D</b>	Complaint concerned remarks and claims made online about the complainant and other third parties.
<b>V2025</b>	10/07/2025	18/08/2025	Insufficient evidence considered to exist to merit progressing the complaint, either that the member was acting other than in an individual capacity at the relevant time, or the conduct alleged.	<b>C</b>	Complaint about a councillor's conduct in regard to regulated parking outside a school.
<b>W2025</b>	22/07/2025	27/08/2025	Insufficient evidence of a breach to merit progressing the complaint at preliminary assessment stage, the members concerned having agreed to apologise for their oversight.	<b>B</b>	Allegation that two ward councillors had excluded a campaign group from a meeting relevant to their cause.

<b>X2025</b>	01/07/2025	Ongoing	Not yet concluded – complaint awaiting consideration by independent person at preliminary assessment stage following a delay in obtaining information over the summer recess.	<b>B</b>	Complaint alleging a member made misrepresentations at a Council meeting.
<b>Y2025</b>	08/08/2025	09/09/2025	Insufficient evidence of a breach considered to exist to merit progressing the complaint at preliminary assessment stage, the view having been taken that the facts were most appropriately interpreted as a robust exchange in the context of local politics.	<b>C</b>	Complaint about comments made by a member about another member's party Group.
<b>Z2025</b>	24/08/2025	Ongoing	Not yet concluded – complaint awaiting consideration by independent person at preliminary assessment stage	<b>D</b>	Complaint about comments made by a member about a politician from another Party.
<b>A12025</b>	24/08/2025	Ongoing	Not yet concluded – complaint awaiting consideration by independent person at preliminary assessment stage	<b>A</b>	Complaint that a member had made unfounded accusations about the complainants' conduct of their business.
<b>B12025</b>	27/08/2025	Ongoing	Not yet concluded – complaint still at preliminary assessment stage	<b>D</b>	Complaint about a member's comments and statements during an online exchange, initially about a politician from another party.

<b>C12025</b>	2/09/25	Ongoing	Not yet concluded – complaint still at preliminary assessment stage.	<b>C</b>	Complaint about statements made by a member in the press about a key policy topic.
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**Key to Complaint topics**

<b>Code</b>	<b>Description of type of conduct complained about</b>
<b>A</b>	<i>Complaints about members' conduct in their wards, including when discharging their ward responsibilities or otherwise communicating with constituents or other stakeholders.</i>
<b>B</b>	<i>Complaints about comments or conduct either at council meetings, or at meetings at which members are representing BHCC</i>
<b>C</b>	<i>Complaints about conduct relating to council business or other members made outside council meetings, including on social media</i>
<b>D</b>	<i>Complaints about a member's conduct or position on an issue which is not council business or a ward matter, including conduct or a statement reported in the press or made on social media</i>