





**Brighton & Hove  
City Council**

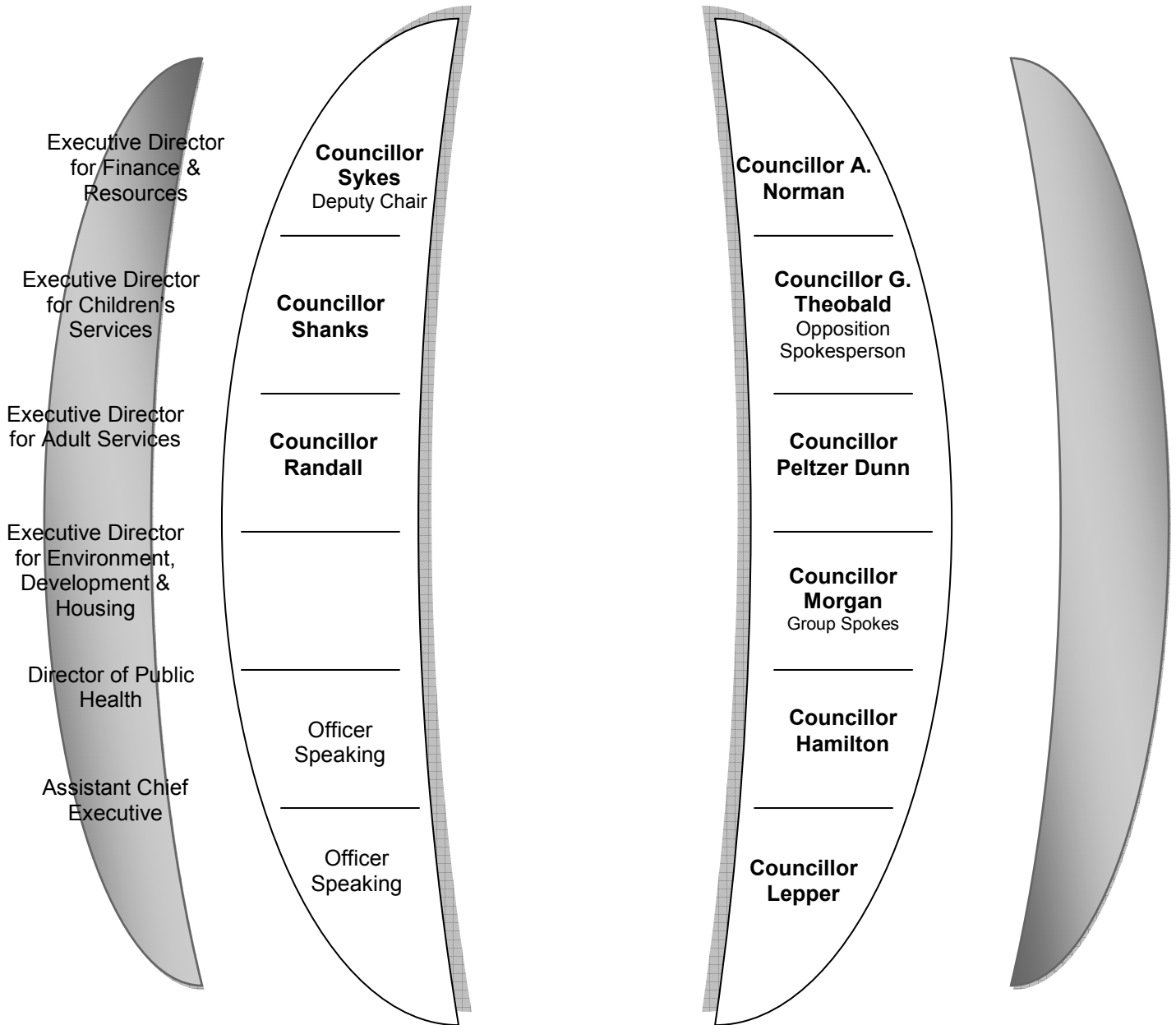
# Policy & Resources Committee

Title:	<b>Policy &amp; Resources Committee</b>
Date:	<b>12 June 2014</b>
Time:	<b>4.00pm</b>
Venue	<b>Council Chamber, Hove Town Hall</b>
Members:	<b>Councillors:</b> J Kitcat (Chair), Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Hamilton, Lepper, A Norman, Peltzer Dunn, Randall and Shanks
Contact:	<b>Ross Keatley</b> Acting Democratic Services Manager 01273 291064 ross.keatley@brighton-hove.gov.uk

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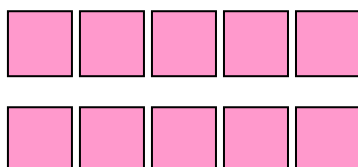
# Democratic Services: Policy & Resources Committee

Monitoring Officer	Councillor J. Kitcat Chair	Chief Executive	Democratic Services Manager
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Public Speaker	Councillor Speaking
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Public Seating



Press

## AGENDA

### PROCEDURAL MATTERS

#### 1. PROCEDURAL BUSINESS

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

(b) **Declarations of Interest:**

- (a) Disclosable pecuniary interests not registered on the register of interests;
- (b) Any other interests required to be registered under the local code;
- (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

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

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

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

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

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

## POLICY & RESOURCES COMMITTEE

### 2. MINUTES

1 - 12

To consider the minutes of the meeting held on 1 May 2014 (copy attached).

Contact Officer: Mark Wall

Tel: 29-1006

### 3. CHAIR'S COMMUNICATIONS

### 4. CALL OVER

- (a) Items (7 – 21) 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.

### GENERAL MATTERS

### 5. PUBLIC INVOLVEMENT

13 - 24

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

- (a) **Petitions:** to receive any petitions presented by members of the public to the full Council or at the meeting itself.
  - (i) Free Parking on Sundays - Lead petitioner Mr. J. Gale. Report of the Monitoring Officer (copy attached).
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 5 June 2014.
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 5 June 2014.
  - (i) Deputation from Tenants Leasing Council Owned Properties in Stanmer Village – Spokesperson Mr. J. Knight. Report of the Monitoring Officer (copy attached).

## POLICY & RESOURCES COMMITTEE

### 6. MEMBER INVOLVEMENT 25 - 28

To consider the following matters raised by Members:

(a) **Petitions:** to receive any petitions submitted to the full Council or at the meeting itself;

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

(i) Redevelopment of the Kind Alfred Site: Question from Councillor G. Theobald.

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

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

(i) Supermarket Levy: Notice of Motion from the Green Group.

### FINANCIAL MATTERS

### 7. TARGETED BUDGET MANAGEMENT (TBM) PROVISIONAL OUT-TURN 2013/14 29 - 114

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer:* Jeff Coates

*Tel:* 29-2364

*Ward Affected:* All Wards

### 8. GOVERNANCE OF VALUE FOR MONEY PHASE 4 115 - 134

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer:* Nigel Manvell

*Tel:* 29-3104

*Ward Affected:* All Wards

### STRATEGIC & POLICY MATTERS

### 9. CHARGING OPTIONS IN RELATION TO SUNDAY PARKING 135 - 146

Report of the Executive Director for Environment, Development & Housing (copy attached).

*Contact Officer:* Austen Hunter

*Tel:* 29-2245

*Ward Affected:* All Wards

### 10. ADULT SERVICES- FUTURE SERVICE MODELS 147 - 164

Report of the Executive Director for Adult Services (copy attached).

*Contact Officer:* Karin Divall

*Tel:* 29-4478

*Ward Affected:* All Wards

## POLICY & RESOURCES COMMITTEE

**11. BRIGHTON AND HOVE SEASIDE COMMUNITY HOMES - REGISTERED PROVIDER APPLICATION** **To follow**

Report of the Executive Director for Environment, Development & Housing (to follow).

*Contact Officer: Bob Bruce*  
*Ward Affected: All Wards*

*Tel: 29-1518*

**12. PROGRESS REPORT ON THE WORKFORCE EQUALITIES ACTION PLAN** **165 - 184**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Liz Boswell*  
*Ward Affected: All Wards*

*Tel: 29 - 1307*

**13. DEVELOPMENT OF SHARED LIVES** **185 - 206**

Report of the Executive Director for Adult Services (copy attached).

*Contact Officer: David Pena-Charlon*  
*Ward Affected: All Wards*

*Tel: 01273-296810*

### REGENERATION & PROPERTY MATTERS

**14. CONFIRMATION ARTICLE 4 DIRECTION - OFFICE TO RESIDENTIAL** **207 - 218**

Report of the Executive Director for Environment, Development & Housing (copy attached).

*Contact Officer: Helen Gregory*  
*Ward Affected: Hove Park; Preston Park;  
Queen's Park; Regency; St  
Peter's & North Laine*

*Tel: 29-2293*

**15. HOVE PARK DEPOT - LONG LEASE TO SCHOOL** **219 - 226**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Ralph Long*  
*Ward Affected: Hove Park*

*Tel: 29-1442*

### CONTRACTUAL MATTERS

**16. PROCUREMENT OF A FRAMEWORK AGREEMENT FOR REACTIVE FABRIC MAINTENANCE AND MINOR NEW WORKS** **227 - 232**

Report of the Executive Director for Finance & Resources (copy attached).

*Contact Officer: Martin Hedgecock*  
*Ward Affected: All Wards*

*Tel: 295047*

**17. BRIGHTON AND HOVE CITY COUNCIL PROVISION OF ARBORICULTURAL SERVICES** **233 - 238**

Report of the Executive Director for Environment, Development & Housing (copy attached).

*Contact Officer: Ian Brewster*  
*Ward Affected: All Wards*

*Tel: 294349*

**GENERAL MATTERS**

**18. APPOINTMENT TO BRIGHTON ESTATES CONSERVATION TRUST**

Nominations are sought for the two representative positions for 2014/15 on the Brighton Estates Conservation Trust – Currently Councillors Mitchell and West.

**19. ITEMS REFERRED FOR COUNCIL**

To consider items to be submitted to the 17 July 2014 Council meeting for information.

*In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on 7 July 2014 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.*

**PART TWO**

**REGENERATION & PROPERTY MATTERS**

**20. HOVE PARK DEPOT - LONG LEASE TO SCHOOL - EXEMPT CATEGORY 3** **239 - 240**

Appendix 2 to the Report of the Executive Director for Finance & Resources, listed as Item 15 on the Agenda (circulated to Members only).

*Contact Officer: Ralph Long*  
*Ward Affected: Hove Park*

*Tel: 29-1442*

**PROCEDURAL MATTERS**

**21. PART TWO MINUTES - EXEMPT CATEGORY 5** **241 - 244**

To consider the part two minutes of the meeting held on 1 May 2014 (circulated to Members only).

*Contact Officer: Mark Wall*

*Tel: 29-1006*

### 22. PART TWO PROCEEDINGS

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

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

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

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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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For further details and general enquiries about this meeting contact Ross Keatley, (01273 291064, email [ross.keatley@brighton-hove.gov.uk](mailto:ross.keatley@brighton-hove.gov.uk)) or email [democratic.services@brighton-hove.gov.uk](mailto:democratic.services@brighton-hove.gov.uk)

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Date of Publication - Wednesday, 4 June 2014



**BRIGHTON & HOVE CITY COUNCIL**

**POLICY & RESOURCES COMMITTEE**

**4.00pm 1 MAY 2014**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**MINUTES**

**Present:** Councillor J Kitcat (Chair) Councillors G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Hamilton, Lepper, A Norman, Peltzer Dunn, Randall, Shanks and Sykes.

**PART ONE**

**164. PROCEDURAL BUSINESS**

**(a) Declarations of Substitutes**

164.1 Councillor Sykes declared that he was attending the meeting as a substitute for Councillor Littman.

**(b) Declarations of Interest**

164.2 Councillor Hamilton declared a personal and non-prejudicial interest in Item 171, Local Government Pension Scheme as he was a member of the scheme that related to councillors.

164.3 The Chair noted that the report only related to staff who were members of the scheme and therefore it did not affect any councillor who was also a member of the scheme.

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

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

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

**165. MINUTES**

165.1 The minutes of the last meeting held on the 20<sup>th</sup> March 2014 were approved as a correct record of the proceedings and signed by the Chair.

## **166. CHAIR'S COMMUNICATIONS**

166.1. The Chair noted that the partial collapse of the A259 had occupied the minds of many people since last week and he was mindful that incidents like this caused frustration and anxiety. The immediate concern had been for the safety of road users and the people at the Fortune of War and he was pleased to say that the swift actions of everyone involved meant that no serious problems occurred. He was especially grateful to the builders working at the Fortune of War for taking such decisive action.

166.2. The Chair stated that assessment damage to the road and the required repairs were being determined, though temporary diversions to ensure traffic flow had been secured along the route. Contrary to reports in the local press the road was not closed. Proper and complete repairs and renovations to the seafront in its entirety would require far greater resources than were currently available and he shared the concerns of his opposition colleagues that these were currently beyond the council's reach. Everyone recognised its value and importance and he hoped everyone could put aside differences to help procure the kinds of funding required.

166.3. The Chair then noted that Item 173 on the agenda, Brighton and Hove Seaside Community Homes – Registered Provider Application had been deferred.

166.4. The Chair suggested that Item 172 on the agenda, Shoreham Airport should be taken first in view of the level of interest in the matter and the attendance of representatives from the Airport.

## **167. CALL OVER**

167.1 The following items on the agenda were reserved for discussion:

Item 170	Asset Management Fund 2014/15
Item 172	Shoreham Airport
Item 174	Rottingdean Terraces
Item 176	Health & Wellbeing Board
Item 178	Area Panel Boundaries and the Housing Management Consultative sub-Committee
Item 180	Shoreham Airport – Exempt Category 5
Item 181	Part Two Minutes – Exempt Category 5

167.2 The Head of Democratic Services confirmed that the items listed above had been reserved for discussion, and that the following reports on the agenda with the recommendations therein had been approved and adopted:

Item 171	Local Government Pension Scheme 2014 – Employer Discretions
Item 175	Sussex Stationery Consortium Procurement of Office Supplies
Item 177	Review of Code of Conduct Complaints Procedure.

## **168. PUBLIC INVOLVEMENT**

168.1 The Chair noted that no public questions or deputations had been received for the meeting.

#### **169. MEMBER INVOLVEMENT**

169.1 The Chair noted that Councillor Robins had submitted a letter for consideration in regard to the Old Police Station in St. Andrew's Road, Portslade. He welcomed Councillor Robins to the meeting and invited him to come forward and to address the committee.

169.2 Councillor Robins thanked the Chair and referred to his letter that had been included in the agenda. He stated that the local community believed that consideration should be given to enabling the old police station to be used as a community facility and become a heritage attraction rather than simply for housing. He therefore asked that the local community be given time to determine whether there was sufficient interest to retain the building as a community asset and secure its future.

169.3 The Chair thanked Councillor Robins and noted that there had been a change in circumstances which provided a three month window of opportunity for alternative proposals for the use of the building to be brought forward. He stated that it was the Administration's view remained that the building/land should be used for necessary housing provision. He would also ensure that a full written response was sent to Councillor Robins.

169.4 Councillor G. Theobald stated that the Conservative Group fully supported the retention of the police station as a community asset.

169.5 Councillor Hamilton welcomed the 3-month period and hoped that a viable proposal could be brought forward.

169.6 **RESOLVED:** That the letter be noted.

169.7 The Chair noted that a Notice of Motion, concerning the implementation of a warning system about pay day lenders on all council computers and via publicly accessible internet connections provided by the Council, had been referred to the committee for consideration.

169.8 The Chair proposed that the notice of motion be noted and that officers be requested to bring a report to a future meeting of the committee.

169.9 **RESOLVED:** That the notice of motion be noted and a full report be brought back to the committee in due course.

#### **170. ASSET MANAGEMENT FUND 2014/15**

170.1 The Executive Director for Finance & Resources introduced the report which sought approval for the £0.275 balance of the 2014/15 Asset Management Fund allocation.

170.2 Councillor A. Norman welcomed the report and the inclusion of changing rooms at the Brighton Centre as it was important to have such facilities at major venues in the city.

170.3 The Chair noted the comments and put the recommendations to the vote.

170.4 **RESOLVED:** That the recommended remaining allocations of AMF bids totalling £0.275 million as detailed in paragraph 3.4 of the report be agreed.

## **171. LOCAL GOVERNMENT PENSION SCHEME 2014 - EMPLOYER DISCRETIONS**

### **171.1 RESOLVED:**

- (1) That it be agreed to maintain its current pension discretions as set out at paragraphs 2.1.1- 2.1.7 and apply these to the Local Government Pension Scheme Regulations 2013. Specifically these are:-
  - (i) The council continues its current practice not to fund in whole or in part, any purchase of additional pension benefits via Additional Regular Contributions (ARCs) or Purchase of Added Years or Additional Pension Contributions (APCs) as set out at section 4.1 of the report.
  - (ii) The council maintains its policy that any actuarial reduction due to early payment of benefits due to flexible retirement is absorbed by the individual member unless they have been placed at risk of redundancy as set out at paragraph 4.2.10
  - (iii) The council maintains its policy, to support applications for Voluntary Early Retirement made on compassionate grounds and, where agreed, to waive any actuarial reduction as set out at section 4.3 of the report. In all other applications for voluntary retirement, the actuarial reduction will be absorbed by the individual member.
  - (iv) The council maintains its policy not to award any additional pension as detailed in section 4.4.
  - (v) The council continues to assess and apply rebanding of pension contributions on an annual basis as at 1<sup>st</sup> April regardless of material changes throughout the financial year as detailed in section 4.5.
  - (vi) The council does not switch on the 85 year rule for employees who voluntarily retire between the ages of 55-60 and continues with its current policy to only consider this as an exception on compassionate grounds.
- (2) That the council's pension policy be updated in accordance with the new scheme and delegations.

## **172. SHOREHAM AIRPORT**

172.1. The Executive Director for Environment, Development & Housing introduced the report, which provided an update on negotiations taking place between the Shoreham

Airport freeholders; Brighton & Hove City Council and Worthing Borough Council; the lessees Albermale Shoreham Airport Limited and potential lessees, Brighton City Airport Limited (BCAL), on the future lease and management arrangements at the Airport.

- 172.2. The Executive Director for Environment, Development & Housing noted that representatives from Albermale and BCAL were present, as well as Mr. Edie who was representing Shoreham Airport Operators & Tenants Association. He stated that as the airport's freeholders, both Brighton and Hove and Worthing Councils had an interest in the future viability of the airport and noted that protracted discussions had taken place between all parties and that the proposed transfer of the lease and management arrangements was considered to be the best way forward.
- 172.3. The Chair then invited Mr. Edie to come forward and address the committee.
- 172.4. Mr. Edie thanked the Chair for the opportunity to attend the meeting and outline the concerns of the Operators and Tenants Association. He stated that the Association believed the item should be deferred from consideration as there was insufficient information to show that BCAL was a viable operation and would be able to run the airport. The current proposals relied on an increased level of revenue but did not indicate where that would come from. There had already been an increase in the level of rent by 30% without consultation and several owners of private aircraft had since moved their planes to other airports. He therefore asked that the matter be deferred to allow for an independent review of the operation of the airport and consultation with all the stakeholders.
- 172.5. Councillor Hamilton queried when the association had first heard about the proposals to change the management and operation arrangements at the airport.
- 172.6. Mr. Edie stated that it was only at the time when the requirement to speak at the committee meeting was about to expire.
- 172.7. Councillor Randall asked how many members the association had.
- 172.8. Mr. Edie stated that he was the Chairman and the association had 24 members.
- 172.9. Councillor Peltzer Dunn queried whether a copy of the Business Plan would be made available.
- 172.10. The Executive Director stated that it was not available at the meeting, but noted that a representative from BCAL was present.
- 172.11. The Chair stated that the committee were not being asked to agree the Business Plan and noted that the transfer of the lease to BCAL could be made by Albermale without having to refer to the two councils.
- 172.12. Councillor Hamilton referred to page 41 of the report and noted that Flying Time Aviation was a growing business and that its Directors were also listed as those for BCAL and queried whether this was appropriate.

- 172.13. The Executive Director stated that it could be regarded as an advantage as the proposed new operator had a clear understanding of the business of running an airport. He noted that Albermale was largely a property company and did not have the experience of running an airport, but wished to retain an interest in the land side of the airport. He also noted that should an operator not be found, the responsibility would fall back to the two local authorities to find one.
- 172.14. Councillor Peltzer Dunn expressed his reservations about having been sufficiently briefed on the matter and concerns about the lack of consultation with various stakeholders at the airport.
- 172.15. The Chair noted the comments and suggested that the committee move into closed session to discuss the matter further and enable the representatives from Albermale and BCAL to be called in to answer any questions.
- 172.16. The Chair then adjourned the open part of the meeting at 4.25pm and asked for members of the press and public to leave the chamber.
- 172.17. The Chair reconvened the meeting at 6.00pm and thanked the members of the press and public for their patience. He then stated that the report had been considered and that he would put the recommendations to the vote.

172.18. **RESOLVED:**

- (1) That the main principles in accordance with "List of Proposals" agreed by Worthing Borough Council (set out in Appendix 1) to the report be agreed:
  - (i) ASAL shall surrender Airport Lease (subject to 2.1.2 to 2.1.7 below):
  - (ii) The Councils grant a long lease of the Terminal Building, Hangar and car park to ASAL on substantially the same terms as the surrendered lease;
  - (iii) ASAL shall grant BCAL a lease of the Terminal Building, Hangar and car park on similar terms to the Councils' lease to ASAL;
  - (iv) The Councils grant a long lease of the Eastern Development Area and Western Development Area to ASAL on the same terms as the surrendered lease;
  - (v) The Councils grant a long lease of the airport operational land (i.e. the old Airport Lease minus the sections granted under 2.1.2 and 2.1.4) to BCAL on substantially the same terms as the surrendered lease;
  - (vi) The £1m deferred consideration shall be further deferred until a building built on the Eastern Development Land or Western Development Land is completed and occupied in part or whole.
- (2) That the Committee provide delegated authority to the Executive Director Environment Development & Housing and the Executive Director of Finance & Resources to enter into leases and other supplementary agreements in order to complete 2.1.

**173. BRIGHTON AND HOVE SEASIDE COMMUNITY HOMES - REGISTERED PROVIDER APPLICATION**

173.1 The item was deferred.

**174. ROTTINGDEAN TERRACES**

174.1 The Assistant Chief Executive introduced the report which resulted from the Notice of Motion that had been approved at Council and considered at the last meeting. She stated that it was proposed to make a contribution of £3,000 towards the costs of the access ramp for the Terraces as £1,000 had already been incurred in terms of professional time and the preparation of plans etc.

174.2 Councillor Morgan noted the proposal to develop a model form of legal agreement with groups who wish to fund projects on council land or apply for funding and suggested that it be taken to the Constitution Working Group for consideration.

174.3 Councillor G. Theobald stated that the Conservative Group were broadly in support of the report although would have preferred to have met the £4,000 costs for the provision of the ramp in full.

174.4 The Chair put the recommendations to the vote.

**174.5 RESOLVED:**

- (1) That an allocation of up to £3000 towards the cost of the ramp to the Rottingdean Terrace Stage subject to satisfactory granting of planning permission be agreed; and
- (2) That officers be instructed to develop a model form of legal agreement with groups such as parish councils who wish to fund projects on council land or apply for funding.

**175. SUSSEX STATIONERY CONSORTIUM PROCUREMENT OF OFFICE SUPPLIES****175.1 RESOLVED:**

- (1) That the procurement by Brighton & Hove City Council on behalf of the Sussex Stationery Consortium of a contract for the provision of office supplies for a term of 3 years from 18 December 2014 to 17 December 2017, with an option to extend the contract for up to 12 months to 16 December 2018 be approved; and
- (2) That the Executive Director for Finance & Resources be granted delegated authority:
  - (i) To carry out the procurement of the contract referred to above, including the award and letting of the contract; and

- (ii) To exercise the option to extend the contract by up to 12 months should he/she consider it appropriate, at the relevant time.

## 176. HEALTH AND WELLBEING BOARD

- 176.1 The Monitoring Officer introduced the report which set out proposed changes to the role, purpose and ways of working of the Health & Wellbeing Board to reflect the need for greater co-ordination and integration of health and local authority functions. He noted that the changes would provide the Board with real decision-making powers which would enable it to be forward thinking and initiate action and policy development. It was in line with the intentions of the Health & Wellbeing Act and had the full support of the cross-part Constitution Review Working Group and the Leaders Group. He was aware that some Members had expressed reservations about the proposed changes but stated that the remit of the Board would be kept under review and any changes could be brought forward as part of a report on the review of the constitution.
- 176.2 The Chair welcomed the report and stated that the integration of health and local authority functions was a positive approach and step forward. He noted that the Clinical Commissioning Group (CCG) had been fully consulted and were supportive of the changes and that many other authorities were in the process of making similar arrangements. He therefore hoped that the proposals would be supported.
- 176.3 Councillor Morgan stated that he believed it was the right way forward to integrate the various functions and welcomed the political consensus, although he did have reservations around the constitutional aspects i.e. that the local authority membership did not reflect the committee system that the council had adopted and meant that decision-making was in the hands of a small number of elected representatives. However, he was prepared to support the recommendations and to keep the process under review.
- 176.4 Councillor G. Theobald stated that whilst he supported the proposals, he was concerned about the establishment of an Officer Board that would be able to influence the agenda setting for meetings of the Health & Wellbeing Board, as set out in paragraph 8.4 of the report.
- 176.5 The Monitoring Officer stated that no additional powers were being given to officers, but rather the need for various officers to meet was being highlighted as the Board's functions cut across a number of areas. There would be a need for those lead officers to meet and discuss matters and identify reports that would need to be taken to the Board for consideration.
- 176.6 Councillor A. Norman stated that the Board was going to be a very powerful committee and noted that reference was made to referred powers at paragraph 7.7 of the report for housing, transport, environmental health and arts and culture and asked for clarification of this in respect of the formal executive committees that existed.
- 176.7 The Monitoring Officer stated that the respective committees retained the decision-making powers for their areas, however the intention was to identify that the Board could discuss those matters as they were likely to have an impact on health



considerations. He noted that the constitution gave every committee referred powers to discuss any areas that may impact on their own responsibilities.

176.8 Councillor Randall also referred to paragraph 7.7 and welcomed the recognition of the fact that arts and culture could have an impact of the health and wellbeing of individuals.

176.9 Councillor Peltzer Dunn referred to paragraph 8.4 and stated that he could accept the first bullet point but had concerns over the remaining bullet points as it appeared agendas would be officer led rather than Member led; and queried who would be able to put items onto the agendas of the Board.

176.10 The Monitoring Officer stated that it was intended to have Chair's pre-meetings whereby possible items for future agendas could be raised and agreed.

176.11 The Chair stated that he expected the agenda setting process to follow that of committees and therefore Members and members of the public would be able to influence the agenda.

176.12 The Chair then put the recommendations to the vote.

176.13 **RESOLVED TO RECOMMEND:**

- (1) That the proposals set out in paragraphs 6.7 to 11.4 and appendix 2 to the report be agreed;
- (2) That the proposed changes come into effect immediately after Annual Council meeting on 15<sup>th</sup> May 2014;
- (3) That the Chief Executive be authorised to take all steps necessary, conducive or incidental to the implementation of the proposals, including entering into section 75 Agreements;
- (4) That the intention to provide system leadership, achieve greater joint commissioning and integration of services between the Council and the CCG be noted;
- (5) That it be agreed to keep the effectiveness of the arrangements under review; and
- (6) That the recommendations of the Independent Remuneration Panel regarding allowances for the Lead Member for Adult Social Services as set out in paragraph 9.2 of the report be agreed.

## **177. REVIEW OF CODE OF CONDUCT COMPLAINTS PROCEDURE**

177.1 **RESOLVED:**

- (1) That the Standards Panel's designation being altered from a Sub-Committee to a Panel be agreed; and
- (2) That the recommendation of the Independent Remuneration Panel as set out in the note attached as an annexe to the extracts from the Audit & Standards Committee meeting be agreed.

#### **178. AREA PANEL BOUNDARIES AND THE HOUSING MANAGEMENT CONSULTATIVE SUB-COMMITTEE**

- 178.1 The Monitoring Officer introduced the report which set out proposed changes to the council's resident involvement structure by realigning geographical boundaries of Area Panels to match ward boundaries. The report also proposed that the Housing Management Consultative Sub-Committee be discontinued and that revised arrangements and ways of working be introduced to ensure more effective tenant consultation and input into the decision-making process. Whilst there had been an effective role under the executive system, it was felt that under a committee system there was a level of duplication with both the Area Panels and the Sub-Committee. The Monitoring Officer also noted that future reports to the Housing Committee would include comments from the Area Panels the Tenant Scrutiny arrangements had now come into operation and had taken two reports to date to the Housing Committee.
- 178.2 Councillor Randall welcomed the report and stated that he felt there were a number of avenues whereby tenants could put forward their views and influence matters right up the Housing Committee itself and therefore the sub-committee was not needed. He was aware that an indicative vote by tenants at the last sub-committee had shown support for its retention, but that there had been divided views at the Area Panels. He also noted that the Leaders Group supported the proposal and that Councillor Peltzer Dunn had expressed his opposition to it at various meetings.
- 178.3 Councillor Peltzer Dunn stated that he wished to move an amendment on behalf of the Conservative Group to delete the second recommendation listed in the report and thereby effectively retain the Housing Management Consultative Sub-Committee. He acknowledged that there were a number of avenues for tenant consultation but felt that the loss of 6 meetings a year would have an impact. He fully supported the changes for the Area Panels but felt that the sub-committee provided an opportunity for residents across the city to make representations directly to Members.
- 178.4 Councillor G. Theobald formally seconded the amendment.
- 178.5 The Chair noted the comments and stated that as part of the establishment of the tenant scrutiny process it had been envisaged that the sub-committee would be discontinued. The Housing Committee was open to anyone to attend and for public items to be raised, and he believed with the various opportunities for matters to be raised the loss of the sub-committee would not diminish the voice of tenants from being heard.
- 178.6 Councillor Morgan stated that he welcomed the realignment of the Area Panels and noted that as part of the review of the constitution with the introduction of the committee system, the Working Group had maintained that the need for sub-

committees should be limited. Now that the tenant scrutiny process was in place and the area panels reformed, he believed that it was appropriate to discontinue the sub-committee but noted that the arrangements could be kept under review as part of the general review of the constitution.

178.7 The Chair noted the comments and put the Conservative Group amendment to the vote which was lost. He then put the recommendations to the vote

178.8 **RESOLVED:**

(7) That the redrawing of the 4 Area Panel area boundaries, as shown in appendix 1 to the report, to align with ward boundaries be agreed;

(8) That the abolition of the Housing Management Consultative Sub-Committee be approved.

Note: Councillors A. Norman, Peltzer Dunn and G. Theobald wished their names recorded as having voted against resolution (2) above.

#### **179. ITEMS REFERRED FOR COUNCIL**

179.1 **RESOLVED:** That item 178, Area Panel Boundaries and the Housing Management Consultative Sub-Committee, be referred to Council for information.

#### **Part Two Summary**

#### **180. SHOREHAM AIRPORT - EXEMPT CATEGORY 5**

180.1 **RESOLVED:** That the information contained in the appendix be noted.

#### **181. PART TWO MINUTES - EXEMPT CATEGORY 5**

181.1 **RESOLVED:** That the part two minutes of the last meeting held on the 20<sup>th</sup> March 2014 be approved as a correct record of the proceedings and signed by the Chair.

#### **182. PART TWO PROCEEDINGS**

182.1 **RESOLVED:** That the information contained in the appendix, Item 180 to the report listed at Item 172 on the agenda and the minutes of the last meeting, Item 181, remain exempt from disclosure to the press and public.

The meeting concluded at 6.50pm

Signed

Chair

Dated this

day of

2014

**Subject:** Free Sunday Parking in Brighton & Hove  
**Date of Meeting:** 12 June 2014  
**Report of:** Monitoring Officer  
**Contact Officer: Name:** Mark Wall **Tel:** 29-1006  
**E-mail:** mark.wall@brighton-hove.gcsx.gov.uk  
**Wards Affected:** All

**FOR GENERAL RELEASE**

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

- 1.1 Under the Council's Petition Scheme if a petition contains more than 1,250 signatures and is not a petition requesting officer evidence, it will be debated by the Full Council.
- 1.2 A combined paper and e-petition concerning Free Parking in Brighton & Hove triggered a debate at the Council meeting on 27 March 2014, having exceeded the threshold with a total of 1,805 signatures.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee, having regard to the recommendations from Council on 27 March 2014, (as detailed in paragraph 4.2), and in view of there being a report on the agenda, notes the petition.

**3. CONTEXT/ BACKGROUND INFORMATION:**

**3.1 The Petition**

“To receive the following e-petition which was debated at Full Council on the 27<sup>th</sup> March 2014 and has been signed by 1,253 people:

*“We the undersigned, support the campaign to introduce Free Sunday car parking and on street parking across Brighton & Hove.”*

*Lead petitioner – Mr. J. Gale*

- 3.2 As the subject matter of the petition related to a committee function, the options open to the Council were:
  - § To note the petition and take no action for reasons put forward in the debate; or
  - § To refer the petition to the relevant Committee meeting; or
  - § To refer the petition to the relevant Committee meeting with recommendations.

3.3 The Council resolved to refer the petition to the Policy & Resources Committee for consideration along with a report on the matter following the approval of an amendment.

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

4.1 The petition was be debated at the Council meeting in accordance with the agreed protocol, which included 3 minutes for the Lead Petitioner to outline the prayer of the petition and confirm the number of signatures and a total of 15 minutes for the petition to be debated.

4.2 The Council's Petitions Scheme states that where the issue is one on which a decision is required, the council meeting will decide whether to make recommendations to inform that decision. An amendment was moved and accepted at the council meeting which altered the covering petitions report recommendation and is listed detailed below and the Committee may have regard to this when responding to the petition:

*"That the petition is referred to the Policy & Resources Committee for consideration accompanied by a full officer report on the proposal, including an estimate of the costs of partial or full implementation of free Sunday parking and an impartial assessment of the advantages and disadvantages."*

4.3 The Petitions Scheme also states that 'the petition organiser will receive written confirmation of this decision'. The Lead Petitioner is invited to attend the meeting and hear the Committee's decision, however, given that the petition has been fully debated at council, there are no further speaking rights and the response will be given without debate.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Draft extract from the proceedings of Council on 27 March 2014.

<b>Subject:</b>	<b>Petitions for Council Debate – Free Sunday Parking – Extract from the Proceedings of the Council meeting held on 27 March 2014</b>		
<b>Date of Meeting:</b>	<b>27 March 2014</b>		
<b>Report of:</b>	<b>Monitoring Officer</b>		
<b>Contact Officer:</b>	<b>Name: Ross Keatley</b>	<b>Tel: 29-1065</b>	
	<b>E-mail: ross.keatley@brighton-hove.gov.uk</b>		
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**Action Required of the Council:**  
To receive the item referred from the Council.

**Recommendation:**  
That the petition is noted.

**BRIGHTON & HOVE CITY COUNCIL**

**COUNCIL**

**4.30pm 27 MARCH 2014**

**COUNCIL CHAMBER, HOVE TOWN HALL**

**DRAFT MINUTES**

**Present:** Councillors Cobb (Chair), Randall (Deputy Chair), Bennett, Bowden, Brown, Buckley, Carden, Cox, Daniel, Davey, Deane, Duncan, Farrow, Fitch, Gilbey, Hamilton, Hawtree, Janio, Jarrett, Jones, A Kitcat, J Kitcat, Lepper, Littman, Mac Cafferty, Marsh, Meadows, Mears, Mitchell, Morgan, A Norman, K Norman, Peltzer Dunn, Phillips, Pissaridou, Powell, Robins, Rufus, Shanks, Simson, Smith, Summers, Sykes, C Theobald, G Theobald, Wakefield, Wealls, Wells, West and Wilson

**PART ONE**

**97. PETITIONS FOR COUNCIL DEBATE**

97.1 The Mayor explained that she had received notification of one petition that had over 1250 signatures triggering a debate at Full Council. The petition would be debated for a period of up to 15 minutes having been first presented by the lead petitioner. There was

also an amendment from the Conservative Group which would be moved during the debate by Councillor Cox.

- 97.2 The Mayor invited Mr Gale to present the petition concerning Free Sunday Car Parking for debate.
- 97.3 Councillor Davey then responded to the petition and stated that the city was one of the busiest tourist destinations in the UK and often Sunday was the busiest day. The impact of this activity on the road was easy to see in terms of congestion and the difficulty in parking. The management of car parking was a vital aspect of managing the wider traffic demand in the city; however, there was concern that making car parking free on Sundays would create more congestion and reduce air quality further. Furthermore free parking could undermine bus services and would cause long term damage and particular example of the scheme at Aberystwyth where the impact had been negative was referenced. It was disappointing that the Liberal Democrats [the petitioners] had not recognised these problems and the administration would be unable to support the petition. Councillor Davey noted that there was scope to support sensible targeted schemes to help reduce congestion such as reduced weekend prices. It was also important to create the right balance between the needs of residents and visitors.
- 97.4 Councillor Cox then proposed the amendment on behalf of the Conservative Group and stated that he commended the Liberal Democrats for collecting so many signatures, but expressed his concern that the city was presenting an image of overcharging parking. There were residents in the city that had no choice but to own a car for various reasons and there was a still significant cost implication both to park and to use public transport. Whilst the Conservative Group were not able to support the petition they felt there was scope for changes ‘around the edges’ especially during the winter and in relation to some of the underused car parks. Rather than dismiss the work of the petitioners the Group considered a report could be bought to the Policy & Resources Committee setting out the costs of a partial scheme or measures.
- 97.5 Councillor A. Norman formally seconded the amendment.
- 97.6 The Mayor then opened the matter up for debate and the following Members spoke on the proposed amendment and the petition: Councillors Hawtree, Mitchell, West, Wealls and Robins.
- 97.7 The Mayor then invited Councillor Davey to respond to the debate and he stated that it was view that the petition should be considered by the Environment, Transport and Sustainability Committee rather than the Policy & Resources Committee, but the Green Group would support it going to the latter. The Group would not be able to support the Conservative amendment and noted that it did not give a clear steer to Officers.
- 97.8 The Mayor then asked for the electronic voting system to be activated and put the Conservative Group’s amendment to the vote.
- 97.9 The Mayor confirmed that the amendment was **carried** by 29 votes to 21.
- 97.10 The Mayor than asked for the electronic voting system to be activated and put the substantive recommendation, as amended, to the vote.



97.11 The Major confirmed that the recommendation, as amended, had been **carried** unanimously.

97.12 **RESOLVED** – That the petition is referred to the Policy & Resources Committee for consideration accompanied by a full Officer report on the proposal, including an estimate of the costs of partial or full implementation of free Sunday parking and an impartial assessment of the advantages and disadvantages.



**Subject:** Brighton & Hove Estates Management Trust –  
Deputation Referred from the Council meeting held  
on the 8<sup>th</sup> May 2014

**Date of Meeting:** 12 June 2014

**Report of:** Monitoring Officer

**Contact Officer: Name:** Mark Wall **Tel:** 29-1006

**E-mail:** mark.wall@brighton-hove.gcsx.gov.uk

**Wards Affected:** All

**FOR GENERAL RELEASE**

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

1.1 Under the Council's Procedural Rules a deputation presented at a Council meeting will be referred to an appropriate Committee meeting for consideration.

1.2 A deputation concerning the Brighton & Hove Estates Management Trust was presented at the Council meeting on 8 May 2014, by Mr. Knight as the lead spokesperson.

**2. RECOMMENDATIONS:**

2.1 That the Committee either

(a) Notes the deputation; or

(b) Notes the deputation and calls for an officer report on the issues raised by the deputation.

**3. CONTEXT/ BACKGROUND INFORMATION:**

3.1 A copy of the deputation is attached to the report as appendix 1.

**4. ANALYSIS & CONSIDERATION OF ALTERNATIVE OPTIONS:**

4.1 The deputation was received at the Council meeting in accordance with the agreed protocol, which included 5 minutes for the Lead spokesperson to outline the reasons for the deputation and for Councillor Littman as the Deputy Chair of Policy & Resources to respond.

4.2 The Procedural Rules states that 'the lead spokesperson will receive written confirmation of the response given to the deputation and that the signatories to the deputation will be invited to attend the meeting and hear the Committee's decision. However, given that the deputation was presented at council, there are no further speaking rights and the response for the spokesperson.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Deputation regarding Brighton & Hove Estates Management Trust.

## Deputation Referred from Council 8 May 2014

### (a) Deputation from Tenants leasing council owned properties in Stanmer Village. (Spokesperson) – Mr. J. Knight

Supported by:

Kathy Biggle and Neil Harding

Rosie Harrison

Daren and Adi Howarth,

Jason and Karen Knight,

Nicky and Ben Scroggins,

Karen Smithson, and

Jake and Astra Thompson.

### Deputation from Tenants leasing council owned properties in Stanmer Village. (Spokesperson) – Mr. J. Knight

I'm here on behalf of a number of Stanmer Villagers who are tenants in the council owned properties leased to the Brighton & Hove Estates Conservation Trust on September 28<sup>th</sup> 2005 for 20 years, the board of which includes two elected council members. One of the many requirements of the lease agreement is that the Trust keeps the properties in good repair and condition, and we do not believe that the trust is fulfilling this obligation. As the council granted this lease we feel this is a matter for which the Authority has a responsibility, and are asking for it to investigate our claims.

We also maintain the trust is not fulfilling its own stated objectives to pursue a policy of:

- conservation and improvement of cottages in Stanmer Village, and
- letting to local people whom it is hoped will contribute to the Village community

We have compiled a report which includes photographs, statements, letters and emails, consisting of some 50 pages, which illustrates issues of concern:

1. **Very poor condition of properties at the start of tenancies, and consistently substandard repairs.** A newly let cottage was in such poor state of repair that as a last resort, the new tenant called an officer from the council's Environmental Health. The damp and cold in these properties has, we feel, been a contributing factor in the ill health of at least three children in the village. We have raised the issue of non-sustainability, energy inefficiency and need for insulation on numerous occasions.
2. **Rental Increases in breach of Tenancy Agreements.** A clause in some of the Tenancy Agreements clearly states rental increases must be in line with the Retail Price Index. When a tenant recently queried a proposed rental increase of 15% in a new 12-month lease, they were issued, with a Notice of Eviction. This still stands, despite a petition of support signed by the entire Stanmer Village community.
3. **Insecurity.** Constant references are made to the higher rental at which our homes would be advertised should we not accept the Trust's new terms. When questioning a 20% rental increase, a tenant who'd lived in the village for 30 years was told the increase was non-negotiable and if she did not wish to pay it, they would serve notice.
4. **Dubious regard to the listed nature of the buildings.** In the farmhouse, the Trust stated an unsafe fireplace was a listed feature which couldn't be removed unless a higher rental be paid. Complaints regarding the replacement of classic iron-work

guttering with cheap ill-fitting plastic guttering, which continued to leak, prompted the Trust to write to all tenants to say maintenance of guttering was our responsibility.

Despite many direct requests, or indirect cc'ing on email correspondence, the Trustees have consistently refused to engage with tenants on any specific complaints we have made. We are also very concerned that the Council's representatives on the Trust can support rental increases of 15-20% on these Council properties, given their backing to the recent motion put forward by Green Councillor Bill Randall, supported by Labour's housing spokesman Chaun Wilson, which calls for a cap on private rental increases.

The Trust claims that as a charity, all the income it receives from tenants' rents, aside from a small amount spent on administration, is spent on maintaining the properties and making rental payments to the council. However the most recent accounts available from the Charity Commission show that actually less than 50% of their income is spent on maintenance and rent, and the amount spent on repairs in 2013 was 50% lower than the previous year, despite a year-end surplus of some £30,000.

In conclusion, this deputation appeals to this council that it ensure our community's concerns are investigated to the extent that they fall within the remit of the Council and that it examines whether the Trust is fulfilling the role for which it was formed when it was set up by the Council. Poor property management and threats to evict tenants who do indeed contribute to the community, has resulted in extreme anger amongst village tenants and a real sense of injustice. We have a good community here, despite an increasingly high turn around of tenants. We also have competent skill-sets, which we already apply at our own expense to improve our homes. This has then been used to justify higher "market" rents. We suggest far greater involvement of the people who live in the village will be the way forward, particularly in the light of the recent huge public consultation on the future of Stanmer Park.

# Brighton & Hove Estates Conservation Trust – Deputation on Tenant Grievances Supporting Information

## Supporting Documentation – Extracts from BHECT Financial Report, March 2013.

**BRIGHTON & HOVE ESTATES  
CONSERVATION TRUST  
(LIMITED BY GUARENTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31ST MARCH 2013**

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The Trustees have pleasure in presenting their report and financial statements for the year ended 31st March 2013.

Brighton & Hove Estates Conservation Trust is a company limited by guarantee (Company registration number 5554194) and is registered as a charity (Charity registration number 1111811). It is governed by its Memorandum and Articles dated 5th September 2005.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and Statement of Recommended Practice "Accounting and Reporting by Charities 2005".

### **Objectives and activities**

The Company was established in 2005 "to improve the conservation and enhancement of the natural and built environment of the South Downs within the area of Brighton & Hove and more particularly that of Stanmer Park".

The trustees have recently reviewed their strategy for pursuing the objectives of the Charity and have agreed their vision statement as follows:

"To help conserve Stanmer Village and Park in partnership with the community, other interested organisations and the City Council through an informed holistic approach and to promote greater understanding of the Village and Park for the benefit of the public, recognising its importance as a gateway to the South Downs National Park and operating on sound financial principles to be sustainable".

The Charity has overseen the substantial refurbishment of several properties now in its leasehold ownership in Stanmer Village and has pursued its policy of conservation and improvement of cottages in Stanmer Village as those have become vacant. The Charity pursues a policy of letting to local people whom it is hoped will contribute to the Village community.

The Trustees look forward to developing relationships with the newly formed South Downs National Park.

### **Relationship with Brighton & Hove City Council**

On 28th September 2005 Brighton & Hove City Council granted the company a 20 year lease over certain properties at Stanmer Village, Stanmer, Brighton.

The Trustees value the ongoing working relationship with Brighton & Hove City Council to the mutual benefit of both.

### **Achievements and performance**

Overseeing the commencement of the refurbishment and conservation of the Farmhouse and cottages in Stanmer Village was the main activity of the period; made possible by the support of Brighton & Hove City Council.

Brighton & Hove Estates Conservation Trust – Deputation on Tenant Grievances  
Supporting Information

**BRIGHTON & HOVE ESTATES  
CONSERVATION TRUST  
(LIMITED BY GUARANTEE)**

**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 2013**

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	2013	2012
	£	£
<b>INCOME:</b>		
Rents receivable	106,246	100,365
Interest receivable	<u>23</u>	<u>28</u>
	<b>106,269</b>	<b>100,393</b>
<b>EXPENDITURE:</b>		
Rent	31,874	22,310
Repairs	15,558	33,821
Insurance	6,414	6,250
Light and heat	-	1,218
Security costs	-	1,840
Management fees	13,166	11,640
Depreciation	984	984
Interest on Council loan	1,764	1,672
Interest on legal fees	(327)	865
Legal and Counsel's fees	2,400	5,845
Audit and accountancy fees	<u>4,305</u>	<u>4,260</u>
	<u>76,138</u>	<u>90,705</u>
<b>SURPLUS for the year</b>	<u><b>30,131</b></u>	<u><b>9,688</b></u>



**WRITTEN QUESTIONS FROM COUNCILLORS**

The following question(s) have been received from Councillors and the response will be provided at the meeting where the Councillor asking the question will have the opportunity to ask a supplementary:

**(a) Councillor G. Theobald**

“Given that it is now almost a year since P&R Committee agreed the way forward for the redevelopment of the King Alfred site, will the Leader of the Council please provide Committee with an update on progress with choosing a preferred bidder for the new leisure centre?”

**Reply from Councillor J. Kitcat, Leader of the Council**



**NOTICE OF MOTION**

**GREEN GROUP**

**SUPERMARKET LEVY**

This Committee resolves:

“To endorse the Local Works campaign for a ‘supermarket levy’, and support the Derby City Council-led bid to government requesting relevant powers under the Sustainable Communities Act.”

Proposed by: Councillor J Kitcat      Seconded by: Councillor Sykes

Supported by: Councillors Randall and Shanks

**Supporting Information:**

There has been growing concern about the spread of supermarkets – which is of particular concern given the diverse small businesses that make Brighton & Hove a unique place to live and visit.

Research by the New Economics Foundation suggests that every £1 spent locally is worth almost 400% more than money spent with external suppliers as it circulates in the local economy supporting employment, trade and communities. Meanwhile 95% of the money spent in large retail outlets is siphoned from the local economy.

The Federation of Small Businesses suggests that business rates are five times more expensive for small businesses as a proportion of turnover than they are for large companies. Further, research in London found that small shops pay far higher business rates per square metre than supermarkets do. Arguably an urgent intervention is needed to rebalance historic unfairness in the system which currently favours larger retailers – particularly as the government has postponed revaluation of business rates until 2017.

The largest four supermarkets each post operating profits in excess of half a billion pounds a year. A relatively small levy could ensure that national and international retailers contribute to as well as take from local communities.

The ‘Local Works’ campaign calls on the government to give the local authority the power to place a levy on large retailer outlets such as supermarkets. The revenue could be used to support smaller independent

local businesses and other services such as rate discounts or local bus routes, levelling the playing field.

<http://localworks.org/pages/supermarkets>

<b>Subject:</b>	<b>Targeted Budget Management (TBM) Provisional Outturn 2013/14</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director of Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jeff Coates</b>	<b>Tel: 29-2364</b>
	<b>Email:</b>	<b>Jeff.coates@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

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

- 1.1 The Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out the provisional outturn position (Month 12) on the council's revenue and capital budgets for the financial year 2013/14.
- 1.2 The final outturn position is subject to the annual external audit review. The final position will be shown in the council's financial statements which must be signed by the Chief Finance Officer by 30 June 2014 and the audited set approved by the Audit & Standards Committee by 30 September 2014.

**2 RECOMMENDATIONS:**

- 2.1 That the Committee note the total provisional outturn position for the General Fund, which is an underspend of £1.085m. This consists of an underspend of £1.190m on council controlled budgets and an overspend of £0.105m on the council's share of the NHS managed Section 75 services.
- 2.2 That the Committee note the provisional outturn for the Housing Revenue Account (HRA), which is an underspend of £0.766m.
- 2.3 That the Committee note the provisional outturn position for the Dedicated Schools Grant which is an underspend of £1.447m.
- 2.4 That the Committee approve the carry forward requests totalling £7.176m as detailed in Appendix 2.
- 2.5 That the Committee note the provisional outturn position on the capital programme.
- 2.6 That the Committee approve the following changes to the capital programme.
  - i) The variations and reprofiles in Appendix 4 and the new schemes as set out in Appendix 5.

### 3 CONTEXT / BACKGROUND INFORMATION

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

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

#### General Fund Revenue Budget Performance (Appendix 1)

- 3.3 The table below shows the provisional outturn for Council controlled revenue budgets within the General Fund. More detailed explanation of the variances can be found in Appendix 1.

Month 9 Forecast Variance £'000	Directorate	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(1,727)	Children's Services	55,488	53,812	(1,676)	-3.0%
2,348	Adult Services	62,744	64,570	1,826	2.9%
237	Environment, Development & Housing	34,834	34,144	(690)	-2.0%
223	Assistant Chief Executive	12,033	12,161	128	1.1%
10	Public Health	1,166	1,148	(18)	-1.5%
(976)	Finance, Resources & Law	36,862	35,939	(923)	-2.5%
115	Sub Total	203,127	201,774	(1,353)	-0.7%
638	Corporate Budgets	3,764	3,927	163	-4.3%
753	Total Council Controlled Budgets	206,891	205,701	(1,190)	-0.6%

- 3.4 The General Fund includes general council services, corporate budgets and central support services. Corporate budgets include centrally held provisions and budgets (e.g. insurance) as well as some cross-cutting value for money savings targets. General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools).

#### Corporate Critical Budgets

- 3.5 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These therefore undergo more frequent and detailed analysis.
- 3.6 They are based on current activity levels and commitments but these can fluctuate significantly over the year. Mitigating recovery actions can change the financial outlook substantially, even for small changes in activity levels but the opposite also applies, hence the reason for closer scrutiny of these areas.

Month 9 Forecast Variance £'000	<b>Corporate Critical</b>	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(1,058)	Child Agency & In House	19,471	18,200	(1,271)	-6.5%
1,875	Community Care	41,381	43,015	1,634	3.9%
(84)	Sustainable Transport	(15,860)	(16,093)	(233)	-1.5%
(257)	Temporary Accommodation	1,539	675	(864)	-56.1%
0	Housing Benefits	(569)	(706)	(137)	-24.1%
476	Total Council Controlled	45,962	45,091	(871)	-1.9%

#### **Carry Forward Requests (Appendix 2)**

- 3.7 Under the council's Financial Regulations, the Director of Finance may agree carry forwards of up to £0.050m per member of the Corporate Management Team service area (up to a maximum of £1m in total) if it is considered that this incentivises good financial management. A total of £0.050m has been agreed for one of the service areas due to its contribution to the overall underspend.
- 3.8 Policy & Resources approval is required for carry forward requests in excess of £0.050m. These include grant funded and non-grant funded carry forwards totalling £7.176m and have been included in the outturn figures above. An analysis of this is provided in Appendix 2.
- 3.9 The non-grant funded element of this totals £3.569m and a detailed breakdown of this is provided in Appendix 2. These items have been proposed where funding is in place for existing projects or partnership working that crosses over

financial years and it is therefore a timing issue that this money has not been spent in full before the year end.

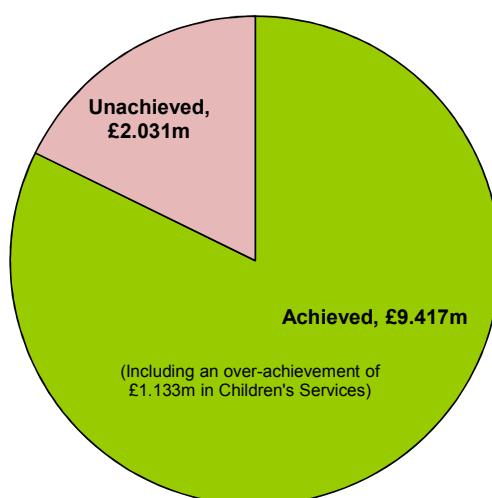
- 3.10 The element relating to grant funding totals £3.607m. Under current financial reporting standards, grants received by the council that are unringfenced or do not have any conditions attached are now recognised as income in the financial year they are received rather than in the year in which they are used to support services. Prior to 2011/12 these unspent grants would have automatically rolled into the next financial year to fund the commitments against them but now they need to be agreed as part of the carry forward requests.
- 3.11 Within the total of £3.607m, a sum of £1.447m relates to the Dedicated Schools Grant. Under the Schools Finance Regulations, the unspent part of the DSG must be carried forward to support the schools budget in future years.

### **Value for Money (VfM) Programme (Appendix 3)**

- 3.12 TBM reports also provide updates on the council's Value for Money programme. The VfM programme contains a number of large, complex projects which include additional temporary resources (e.g. Project Managers) to ensure they are properly planned and implemented. Projects can have significant financial and non-financial targets attached to them and their successful implementation is therefore important to the overall financial health of the authority.
- 3.13 Some VfM projects carry significant risks and may need specialist advice or skills that can be in short supply or they may need to navigate complex procurement or legal processes. Therefore, each month the TBM report has quantified progress in terms of those savings that have been achieved, those that were anticipated to be achieved (i.e. low risk) and those that remained uncertain (i.e. higher risk). For the outturn report, this is reported as Achieved and Unachieved.
- 3.14 As reported through second half of the year, there have been two key areas of risk regarding Accelerated Service Redesign, which was supported by a Voluntary Severance Scheme, and category spend on IT hardware and software outside of the ICT service. Accelerated Service Redesign has underachieved by £1.126m (£1.295m full year) while IT category spend has underachieved by £0.229m. In addition, pressures across Adult Social Care have also had an impact on the VfM savings in this area which has under-achieved by £0.650m although this has been mitigated by increased Continuing Health Care funding. Overall, the VfM programme has achieved savings of £9.417m (91.3%) against an original savings target of £10.315m. Further information about the risks and actions relating to these unachieved savings is given in Appendix 3.



Value for Money Programme (All Phases) - 2013/14 Monitoring



Original VfM Target 2013/14 = £10.315m

### Housing Revenue Account Performance (Appendix 1)

- 3.15 The Housing Revenue Account is a separate ring-fenced account which covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents. The provisional outturn on the HRA is summarised in the table below. More detail is provided in Appendix 1.

Month 9 Forecast Variance £'000	HRA	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Forecast Variance Month 12 £'000	Provisional Variance Month 12 %
(328)	Expenditure	56,295	55,565	(730)	-1.3%
19	Income	(56,295)	(56,331)	(36)	-0.1%
(309)	Total	-	(766)	(766)	

### Dedicated Schools Grant Performance (Appendix 1)

- 3.16 The Dedicated Schools Grant (DSG) is a ring-fenced grant which can only be used to fund expenditure on the schools budget. The schools budget includes elements for a range of services provided on an authority-wide basis including early years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The provisional outturn is an underspend of £1.447m and more details are provided in Appendix 1. Under the Schools

Finance Regulations any underspend must be carried forward to support the schools budget in future years.

### NHS Managed S75 Partnership Performance (Appendix 1)

- 3.17 The NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and Sussex Community NHS Trust (SCT) and include health and social care services for Adult Mental Health, Older People Mental Health, Substance Misuse, AIDS/HIV, Intermediate Care and Community Equipment.
- 3.18 These partnerships are subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. Risk-sharing arrangements can result in financial implications for the council should a partnership be underspent or overspent at year-end and hence the performance of the partnerships is reported as a memorandum item under TBM throughout the year.

Month 9 Forecast Variance £'000		2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
186	<b>Section 75</b> NHS Trust managed S75 Services	12,046	12,151	105	0.9%

### Capital Programme Performance and Changes

- 3.19 Capital programme performance needs to be looked at from 5 different viewpoints at the end of the year as follows:
- i) **Forecast Variance:** The 'variance' for a scheme or project indicates whether it is expected to be break-even, underspent or overspent. Information on how forecast overspends will be mitigated is given in Appendix 4. If the project is completed, any underspend or overspend will be an outturn variance. Generally, only explanations of significant forecast variances of £0.050m or greater are given.
  - ii) **Budget Variations:** These are changes to the project budget within year, requiring members' approval, and do not change future year projections. The main reason for budget variations is where capital grant or external income changes in year.
  - iii) **Slippage:** This indicates whether or not a scheme or project is on schedule. Slippage of expenditure from one year into another will generally indicate overall delays to a project although some projects can 'catch up' at a later date. Some slippage is normal due to a wide variety of factors affecting capital projects however substantial amounts of slippage across a number of projects could result in the council losing capital resources (e.g. capital grants) or being unable to manage the cashflow or timing impact of later payments or related borrowing. Wherever possible,

the council aims to keep slippage below 5% of the total capital programme.

- iv) **Reprofiling:** Reprofiling of expenditure from one year into another is requested by project managers when they become aware of changes or delays to implementation timetables due to reasons outside the council's control. Reprofiling requests are checked in advance by Finance to ensure there is no impact on the council's capital resources before they are recommended to Policy & Resources.
- v) **IFRS changes:** These accounting changes are necessary for the council to comply with International Financial Reporting Standards (IFRS) for the Statement of Accounts. This concerns the determination of items of expenditure as either capital or revenue expenditure. Only items meeting the IFRS definition of capital expenditure can be capitalised; expenditure not meeting this definition must be charged to the revenue account. This accounting exercise is undertaken as part of the closure of accounts process and therefore IFRS changes only appear in the outturn TBM report. Where significant changes have occurred an explanation is contained in Appendix 4.

3.20 The table below provides a summary of capital programme performance by Directorate and shows that there is an overall underspend of £0.213 m which is detailed in Appendix 4.

Month 9 Forecast Variance £'000	2013/14 Provisional Budget Month 12 £'000	2013/14 Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Outturn Month 12 %	
	<b>Capital Budgets</b>				
0	Children's Services	19,041	19,034	(7)	0.0%
0	Adult Services	2,222	2,225	3	0.1%
0	Environment, Development & Housing – General Fund	17,847	17,801	(46)	-0.3%
(435)	Environment, Development & Housing - HRA	28,603	28,530	(73)	-0.3%
(160)	Assistant Chief Executive	8,005	7,991	(14)	-0.2%
(32)	Finance, Resources & Law	6,063	5,987	(76)	-1.3%
(627)	<b>Total Capital</b>	<b>81,781</b>	<b>81,568</b>	<b>(213)</b>	<b>-0.3%</b>

(Note: Summary may include minor rounding differences to Appendix 4)

3.21 Appendix 4 shows the changes to the budget and Appendix 5 provides details of new schemes for 2014/15 to be added to the capital programme. Policy & Resources Committee's approval for these changes is required under the council's Financial Regulations. The following table shows the movement in the capital budget since approval in the Month 9 report.

<b>Capital Budget Movement</b>	<b>2013/14 Budget £'000</b>
<b>Summary</b>	
Budget approved at Month 9	93,330
Changes reported through other Committees	314
IFRS/Other Changes (to be noted)	(1,398)
Reprofiling to Budget (to be approved)	(7,679)
Slippage (to be approved)	(2,786)
<b>Total Capital</b>	<b>81,781</b>

- 3.22 Appendix 4 also details any slippage into next year. In total, project managers have forecast that £2.786m of the capital budget may slip into the next financial year and this equates to 3.4% of the reprofiled budget.

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

- 3.23 The council's MTFS sets out resource assumptions and projections over a longer term. It is periodically updated including a major annual update which is included in the annual revenue budget report to Policy & Resources Committee and Full Council. This section highlights any potential implications for the current MTFS arising from in-year TBM monitoring above and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.
- 3.24 The forecast outturn position at Month 9 is a key factor in the budget setting process. At Month 9, TBM showed a forecast overspend of £0.939m. This was accounted for in assessing the level of one-off resources available to support the 2014/15 budget. At provisional outturn, this has now improved to a position of £1.085m underspend. This means that there is no impact on the 2014/15 one-off resource assumptions and provides an additional £2.024m to support future budget planning.

#### Capital Receipts Performance

- 3.25 Capital receipts are used to support the capital programme. For 2013/14 a total of £11.149m capital receipts (excluding 'right to buy' sales) have been received in connection with the completion of the disposal of Amex House, the Ice Rink at Queens Square, the caretaker's house at Westdene Primary School, 110 The Highway, The Cottage at Easthill and the sale of the Council's civic car number plate.
- 3.26 The Government receives a proportion of the proceeds of 'right to buy' sales with a proportion required by the council to repay debt; the remainder is retained by the council and used to fund the capital programme. The total net usable receipts from 'right to buy' sales in 2013/14 is £4.346m including £3.923m available for replacement homes.

- 3.27 A total of £3.163m receipts from the housing Local Delivery Vehicle (LDV) have been received in 2013/14. The net receipts are ring-fenced to support investment in council owned homes.

#### Collection Fund Performance

- 3.28 The collection fund is a separate account for transactions in relation to council tax and business rates. Any deficit or surplus forecast on the collection fund relating to council tax is distributed between the council, Sussex Police and East Sussex Fire Authority whereas any forecast deficit or surplus relating to business rates is shared between, the council, government and East Sussex Fire Authority.
- 3.29 The collection fund surplus position at 31<sup>st</sup> March 2014 on council tax is (£1.925m) and the council's share of this is (£1.644m). This includes the brought forward surplus from 2012/13 of (£0.497m) and the majority of the remaining surplus relates to a lower than budgeted caseload on council tax reduction discounts (£1.162m) and increased liability from new properties. The surplus is lower than anticipated in January due to some unexpected band reductions that have been backdated several years and unoccupied exemptions.
- 3.30 The surplus on the collection fund for business rates at 31<sup>st</sup> March 2014 is (£11.347m) and the council's share of this is (£5.560m). However after allowing for repayment of the Safety Net grant of £3.970m the council's share of the surplus reduces to (£1.590m). The council has now received vastly improved information from the Valuation Office on both outstanding and settled appeals. This data has been analysed in detail to show what has happened in each financial year starting in 2005/06 in relation to the 2005 and 2010 valuation lists. This analysis shows that the number of appeals is on a downward trend. There are significantly less appeals against the 2010 list than at the equivalent time in 2005 and the proportion of successful appeals and the consequent reduction in rateable value is not as high as anticipated when the budget was set. In addition, appeals relating to material change of circumstance are not on average backdated as far as originally thought. All of these changes mean that the level of successful appeals that occurred during 2013/14 and the provision for future successful appeals is well below the level originally budgeted and the council no longer needs support from the Safety Net. This will provide the council with additional resources in future years.
- 3.31 In the short term, the repayment of the Safety Net will create an accounting anomaly in that the council will need to recognise a creditor for this sum owing to Central Government. This will require matching resources which will be met from the council's General Fund balance of £9m. The debtor will be reversed, partly in 2014/15 and fully in 2015/16, replenishing the General Fund balance accordingly. This accounting treatment will be dealt with in the Financial Statements and detailed in full in the Financial Statements and accompanying report to Audit & Standards Committee.
- 3.32 The financial impact of the outturn position on the collection fund will be incorporated into the January 2015 calculation of the forecast outturn position for 31<sup>st</sup> March 2015 which forms part of the 2015/16 budget calculations.

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

- 4.1 The provisional outturn position on council controlled budgets is an underspend of £1.190m. In addition, the council's share of the provisional overspend on NHS managed Section 75 services is £0.105m. The underspend of £1.085m will be added to general reserves and the £0.939m set aside in general reserves to fund the expected overspend at TBM 9 will also be released giving a total of £2.024m additional one-off resources available to aid budget planning for future years. Recommendations for the use of these resources is given in the report on the Governance of Value for Money Phase 4 which is also on this Policy & Resources Committee agenda.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

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

## **6 CONCLUSION AND COMMENTS OF THE DIRECTOR OF FINANCE (S151 OFFICER)**

- 6.1 The underlying position at outturn has improved considerably since month 9 with improvements being seen across a range of services. There are three significant contributing factors. The first is an underspend on the Public Health Grant, part of which has been used to offset eligible Adult Social Care expenditure. The underlying trends on the Adult Social Care budget remain concerning and there are demanding savings targets to be achieved in 2014/15 in addition to savings not yet achieved from 2013/14. There is a request to carry forward the remainder to 2014/15 in order to ensure that the ring fenced grant conditions can be met. The underspend was caused partly by lower than anticipated costs on NHS sexual health contracts and also money set aside because of concerns about the responsibility for certain prescribing costs which has now been resolved in the council's favour. A close review of the Public Health budget commitments in 2014/15 and beyond may provide some additional flexibility for the council in its budget planning, particularly ensuring investment in preventative services can be sustained.
- 6.2 The second key change since month 9 has been lower than expected expenditure on homelessness. Additional service pressure funding was provided in 2013/14 because of concerns about the impact of rising temporary housing costs, lower local housing allowance rates and the broader impact of welfare reform. It is too early to tell whether the more modest impact will continue into 2014/15 but this will remain closely scrutinised as a corporate critical budget.
- 6.3 Thirdly the council received notification of an additional £0.400m government grant funding in the last week of the financial year. This is because the government had top-sliced too much grant funding for capitalisation costs. This had been repeatedly raised by the council and the Local Government Association (LGA) but was not recognised until very close to the year end. While this is welcome additional resourcing it could not have been forecast any earlier.
- 6.4 Collective management of the financial position has therefore ensured that the council has remained within budget with an underspend variance of less than 1%, ensuring that resources have been used for the purposes for which they were allocated.

- 6.5 A detailed explanation has been provided for the change in the income from business rates predominantly because a much lower provision for appeals has been needed. The challenge of forecasting the business rates income in year 1 of a major new funding model has been reported to members on many occasions. The positive news is that the clarity of information from the Valuation Office has improved dramatically over the year which will help future forecasting although we still only have limited experience of monitoring this income in this way. More importantly for the council's overall financial position is that the taxbase itself is in a stronger position than previously anticipated and a further update will be provided in July as part of the Budget Update report.
- 6.6 As mentioned earlier, recommendations for the use of these resources are given in the report on the Governance of Value for Money Phase 4 which is also on this Policy & Resources Committee agenda.

## **7 FINANCIAL AND OTHER IMPLICATIONS**

### Financial Implications:

- 7.1 The financial implications are covered in the main body of the report.

*Finance Officer Consulted: Jeff Coates Date: 29/05/14*

### Legal Implications:

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

*Lawyer Consulted: Oliver Dixon Date: 16/05/14*

### Equalities Implications:

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

### Sustainability Implications:

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

### Risk and Opportunity Management Implications:

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

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Revenue Budget Performance
2. Carry Forward Requests
3. Value for Money Programme Performance
4. Capital Programme Performance
5. New Capital Schemes

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

None.

### **Background Documents**

None.



## Appendix 1 – Revenue Budget Performance

### Children’s Services - Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Director of Children's Services	1,951	1,945	(6)	-0.3%
(98)	Education & Inclusion	2,531	2,322	(209)	-8.3%
(852)	Children's Health, Safeguarding and Care	32,888	32,246	(642)	-2.0%
(777)	Stronger Families, Youth & Communities	18,118	17,299	(819)	-4.5%
(1,727)	Total Revenue - Children	55,488	53,812	(1,676)	-3.0%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
<b>Director of Children’s Services</b>			
(6)	Other	Minor underspend variance	
<b>Education &amp; Inclusion</b>			
(234)	Home to School Transport	There is an underspend of <b>£0.234m</b> which reflects the reduction in numbers transported during the year.	The 2014/15 Children’s services budget strategy includes savings of £0.263m in this service.
100	Adult Social Care moves	As part of the Connaught provision it has been agreed that Children’s Services will contribute <b>£0.100m</b> towards the costs relating to Adult Social Care moves.	
(75)	Other	Minor underspend variances	
<b>Children’s Health, Safeguarding &amp; Care</b>			
(151)	Social Work Teams	The Social Work Teams underspent by <b>£0.151m</b> due to a number of vacant posts within the teams.	The 2014/15 Children’s services budget strategy includes savings of £0.315m across this service.

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
114	Care Leavers	The care leavers budget of £967k has overspent by <b>£0.114m</b> in 2013/14. During the year there were 55.21 FTE 'placements' for which BHCC is funding accommodation costs. This is broken down as 45.05 Care Leavers and 10.16 FTE Ex-Asylum Seekers. Costs are incurred on a number of different headings although nearly 80% of total expenditure is related to accommodation costs.	It is anticipated that the new commissioning arrangements with Housing, due to start in June, will reduce the overall spending on this service.
19	Adoption Payments	The government has instituted a number of changes and new requirements for the adoption service. Linked to this, a new Adoption Reform grant has been made available partly to fund increases in fees for inter-agency adoptions and partly to facilitate the required changes in processes. The increase in both the number and cost of inter-agency adoptions has resulted in an overspend of £0.088m. There was an underspend relating to regular adoption support payments and allowances of £0.069m for which numbers are currently slightly below budgeted levels.	
(370)	Corporate Critical-In House Foster Payments	Part of the VFM budget strategy was to switch the emphasis of fostering placements from IFA to in-house carers. The budgets were based on an increased number of in-house placements with a corresponding reduction in IFA numbers. This has not progressed as quickly as anticipated resulting in the overspend in IFAs (below) and an underspend of <b>£0.370m</b> in in-house placements.	This service is included within the children's Services Vfm 4 programme which has an overall savings target of £2.539m in 2014/15.
(372)	Contact Service	The underspend in this service is predominantly due to the use of sessional and agency staff being considerably less than anticipated in the budget. In addition there is a smaller underspend in the car mileage budget, which also reflects the more efficient use of resources than was anticipated in the budget.	The 2014/15 Children's Services budget strategy includes savings of £0.200m from this service and this budget forms part of the ongoing social work restructure review which will feed into the 2015/16 budget strategy.
27	Data	The overspend relates to work commissioned to improve data	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b> (Note: FTE/WTE = Full/Whole Time Equivalent)	<b>Effect on 2014/15 Budget</b>
	Retrieval/IT	retrieval systems within Children's Services and the purchase of IT equipment for social work teams.	
107	Section 17 Preventive	The majority of this overspend <b>£0.053m</b> relates to the predicted cost of homelessness/housing charges.	
(148)	Early Years	The underspend in early years services represents preparation for, and partial early achievement of 2014/15 budget savings.	The 2014/15 Children's services budget strategy includes savings of £0.513m across this service, of which £0.265m relates to extending the use of the DSG.
125	16+Support Staff	The overspend in this service predominantly relates to staffing, including the extensive use of agency staff, charges from Sussex Community NHS Trust for a LAC Nurse, and significant costs relating to transport and parking at Lavender Street.	This service forms part of the ongoing social work restructure review which is looking at the deployment of resources across all social work teams to address budget pressures and will eventually feed into the 2015/16 budget strategy.
7	Other	Minor overspend variances	
<b>Stronger Families, Youth &amp; Communities</b>			
(901)	Corporate Critical - Children's Agency Placements	The final number of residential placements (26.20FTE) is broken down as 22.45FTE social care residential placements (children's homes), 3.44 FTE schools placements, 0.30 FTE family assessment placements and 0.00 FTE substance misuse rehabilitation placements. The budget allowed for 22.20 FTE social care residential care placements, 6.00 FTE schools placements, 1.50 FTE family assessment placements and 0.60 FTE substance misuse rehab placements. The number of children's home placements was slightly higher than the budget although 1.20 FTE of these were in 'semi independence' with a considerably reduced unit cost. Other residential placement types were low compared with historic averages, although numbers have increased in recent months. Overall the number of placements were 4.10 FTE below the budgeted level, and this combined with the unit cost savings described above resulted in	This service is included within the Children's Services Vfm 4 programme which has an overall savings target of £2.539m in 2014/15.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
		<p>an underspend of <b>£0.836m</b>.</p> <p>The numbers of children placed in independent foster agency (IFA) placements began to fall during 2012/13 and that trend continued in 2013/14, although numbers have ceased to fall in recent weeks. During 2013/14 there were 165.76 FTE placements. Although this represents a reduction of 10.8% on last year, the budget strategy included a target for switching the emphasis from IFA to in-house carers which has not been achieved. On that basis the budget for IFA placements was 154.00 FTE which has been exceeded by 11.76 FTE placements resulting in an overspend of <b>£0.059m</b>.</p> <p>The final number of disability placements was 16.63 FTE with an average unit cost of £1,885.73. The number of placements was 3.13 FTE above the budgeted level. The average weekly cost of these placements was £332.53 lower than the budgeted level and the combination of these two factors together with the underspend of £0.059m on respite placements results in an overspend of <b>£0.015m</b>.</p> <p>During 2013/14 there were 1.15 FTE secure (welfare) placements and 1.56 FTE secure (justice) placements. The budget allowed for 1.25 FTE welfare and 0.75 FTE justice placements during the year. There are currently 2 children in a secure (welfare) placement and one in a secure (criminal) placement resulting in a projected underspend of <b>£0.139m</b></p>	
82	Other	Minor overspend variances	

## Appendix 1 – Revenue Budget Performance

### Adult Services – Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
1,480	Adults Assessment	48,393	50,086	1,693	3.5%
1,094	Adults Provider	14,698	15,811	1,113	7.6%
(226)	Commissioning & Contracts	(347)	(1,327)	(980)	-282.4%
2,348	Total Revenue - Adult	62,744	64,570	1,826	2.9%

### Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
		The key variances across Adult Social Care are as detailed below:	.
<b>Adults Assessment</b>			
see below	Assessment Services	Assessment Services is showing an overspend of £1.693m (3.5% of net budget) at outturn, which is an increase of £0.233m from Month 9. The overspend is broken down as follows: -	
2,086	Corporate Critical - Community Care Budget (Older People)	The pressure on the Older People community care budget relates largely to the Supported Living and Extra Care Housing savings target of £1.640m jointly commissioned with Housing which was not delivered in year. The target included options around Sheltered Housing, Shared Lives and other accommodation. These options were complex and meant there were significant service, legal, financial and commissioning considerations to work through for each option that required a greater lead-in time than originally anticipated. There was also a significant increase in actual homecare costs at year-end and	The application of £0.8m 2014/15 service pressure funding o reflects underlying activity levels and will partly address this issue. The Adults VfM 4 programme is targeting high cost placements. There is a 2014/15 savings target of £1.1m against Older People's services.  Options for Extra Care schemes

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
		forecasting methods for 2014/15 will be reviewed to ensure a more accurate picture is obtained earlier.	continue to be explored but there will remain unachieved savings in 2014/15 that need to be addressed.
(859)	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are reporting an underspend of £0.859m at outturn, which is a positive movement of approximately £0.800m from Month 9. The main reason for the improvement is delays in concluding Ordinary Residence (OR) claims. OR Claims are built into the forecast when applications are received and a proportion of these will be disputed. Transitions costs were £142k less than anticipated & forecast growth has not materialised. Overall there has been a decrease of approximately 14 whole time equivalent client numbers from Month 9.	The Adults VfM 4 programme is targeting high cost placements. There is a 2014/15 savings target of £0.7m against Learning Disability services. Service pressure funding of £0.500m has been allocated for transitions growth, and a further £0.200m to support provider initiatives (e.g. Day Care).
451	Corporate Critical - Community Care Budget (Under 65's)	Under 65's are reporting an overspend of £0.451m, 6.5% of the total budget (a decrease of £0.114m from Month 9). The underlying pressure is largely due to the full-year effect of the increased complexity (e.g. Acquired Brain Injury, Multiple Sclerosis) of high cost placements against homecare and direct payments. Of the overspend £0.312m is attributable to 4 complex cases, one new high cost placement at £0.104m, and a further 3 cases where costs have changed in the year by £0.208m to reflect increased levels of need. A review of high cost placements and funding sources across the U65's service is underway.	The application of £0.500m 2014/15 service pressure funding reflects underlying activity levels and anticipated growth.. The Adults VfM 4 programme is targeting high cost placements.
(44)	Corporate Critical - Community Care Budget (HIV)	The underspend is a continuation of the activity and spending levels experienced over the last 2 financial years.	
59	Support & Intervention Teams	Mainstream budgets overspent by £0.058m (0.8% of net budget).	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b> (Note: FTE/WTE = Full/Whole Time Equivalent)	<b>Effect on 2014/15 Budget</b>
<b>Adults Provider</b>			
1,113	Adults Provider	<p>The provisional overspend includes an under-achievement of £0.795m against the savings target of £1.640m (2013/14 targets and unachieved targets in 2012/13). Achievement of the savings is dependent on the commissioning review of day options, the corporate VFM programme on transport, the review of options for different service models, and the Learning Disabilities accommodation review, all of which are on-going.</p> <p>The overspend also includes additional pressures on Adults Provider budgets due to increased staffing in the Resource Centres for Older People (£0.592m) which has been partly offset by one off and recurrent Department of Health Social Care funding (£0.262m) and projected shortfalls on Residents Contributions (£0.049m) and other areas are underspent by £0.061m.</p>	<p>There is a significant risk of delivery of savings in 2014/15. The service has developed a Financial Recovery Plan which shows unachieved savings in previous years in addition to the savings target of £0.765m in 2014/15 and the full year effect of the 2013/14 savings at £0.583m. Based on current service plans (at May 2014) savings of up to £0.5m could be achieved in 2014/15 leaving a potential shortfall of £1.6m.</p>
<b>Commissioning &amp; Contracts</b>			
(980)	Commissioning & Contracts	<p>Commissioning &amp; Contracts are reporting a provisional underspend of £0.980m at outturn, reflecting an improvement of £0.754m from Month 9. Of this, £0.628m relates to preventative contracts that were funded from the Public Health grant in accordance with the grant conditions. The remainder of the variance reflects one-off savings from the initiatives budget and vacancy management savings.</p>	<p>These were mainly one off savings and funding arrangements that will not be available in 2014/15. There is a savings target of £0.125m against these services.</p>

Environment, Development & Housing - Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
184	Transport	(4,550)	(4,449)	101	-2.2%
0	City Infrastructure	21,775	21,770	(5)	0.0%
33	City Regeneration	1,146	1,145	(1)	-0.1%
27	Planning & Public Protection	4,568	4,567	(1)	0.0%
244	Total Non Housing Services	22,939	23,034	95	0.4%
(7)	Housing	11,895	11,110	(785)	-6.6%
237	Total Revenue - Environment, Development & Housing	34,834	34,144	(690)	-2.0%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
<b>Transport</b>			
42	Head of Transport	This overspend largely relates to consultancy costs for one-off projects and additional agency staff costs.	
(233)	Corporate Critical – Parking Operations	The main components of the underspend are: <ul style="list-style-type: none"> <li>London Road car park overachievement of budget by (£0.186m) largely as a result of letting an additional 220 season ticket spaces to a large local business.</li> <li>Surplus permit income of (£0.185m). This has been caused by increased demand for permits, partially trader permits where removal of the waiting list has increased</li> </ul>	



**Appendix 1 – Revenue Budget Performance**

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		<p>demand and also a general migration from on-street parking to permits.</p> <ul style="list-style-type: none"> <li>• A surplus of £0.133m on leased car park income.</li> <li>• A surplus of £0.205m for On-street parking income.</li> <li>• There is a net overspend variance of £0.480m relating to Penalty Charge Notices (PCN) income and an increase in the bad debt provision.</li> <li>• There is an under-achievement of income of approximately £0.259m relating to other Off-street car parks. It is possible that changes in prices have resulted in greater movement to On- street parking.</li> <li>• Other underspends of £0.263m including previously reported underspends on unsupported borrowing of £0.109m and cash collections services of £0.049m.</li> </ul>	<p>There is a 2014/15 budget saving of £0.195m in respect of the introduction of Pay by Phone. There are 2014/15 budget savings of £0.250m in respect of extended CCTV enforcement of bus lanes and £0.027m in respect of improved debt collection.</p> <p>There is a 2014/15 budget saving of £0.020m relating to maintenance.</p>
58	Highways Engineering	<p>This mostly relates to Highways Engineers' employee costs where the value of works rechargeable to capital was less than the budgeted recovery target.</p> <p>There were also additional costs of £0.011m for coast protection where additional works were required as a result of the adverse weather conditions during the winter months.</p> <p>Within this service area a contribution of £0.619m has been made to the Surface Water Action Management Plan (SWAMP) Reserve. This has been funded from unspent grants and Council budgets and will be used to fund the Surface Water</p>	<p>This pressure has been addressed as part of the 2014/15 budget setting process.</p>

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		Management Plan agreed at the November Environment, Transport & Sustainability Committee.	
40	Highways	There is an overspend of £0.191m on the routine repairs and street works budgets largely as a result of increased repairs following recent storm and adverse weather damage. This has been largely offset by additional income generated through inspection work and licences as well as managed underspends on other services.	At the end of March the council received a Severe Weather Recovery revenue grant of £0.187m to be spent on repairing flood damaged roads. This is included in the carry forward requests in Appendix 2. There is a budget saving of £0.020m in 2014/15 in respect of increased licence income.
138	Transport Planning and Road Safety	Overspends within the Transport Planning service include £0.050m due to the recharge of employee costs to project budgets being less than the budgeted recovery target and £0.025m on consultants fees in respect of one-off projects.  There is a £0.040m overspend on the Public Transport budget where payments due to bus operators were greater than budgeted and other minor overspends of £0.023m.	
56	Transport Policy	The variance is due to under achievement of staff costs rechargeable to capital projects of £0.029m and unfunded one off costs relating to trunk road junction assessments for the City Plan of £0.027m.	
<b>City Infrastructure</b>			
(171)	City Infrastructure Management & Admin	Various underspends were reported in previous TBM reports in relation to employee budgets (£0.112m) supplies and services (£0.057m) and partnership contributions from other local authorities for management and administration support in the year. The overall underspend in this area has increased by £0.010m since Month 9.	

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
263	CityClean	This largely relates to a £0.196m overspend within the City Clean Operations section. The majority of this relates to the impact of industrial action and additional costs to the service resulting from new rounds bedding in and service redesign. There is also a £0.075m overspend on fleet management, which is also largely due to the additional costs of new rounds and service redesign.	There are savings of £0.119m for CityClean in the 2014/15 Budget.
(97)	City Parks	<p>There is a £0.075m underspend within the Parks and Green Spaces Operations service. This is largely due to delays in expenditure with the Tree Management service and management of staffing vacancies. There were other underspends of £0.063m on Fleet Management and £0.026m on financing costs</p> <p>There was a £0.067m under-achievement of income at Roedean and Rottingdean golf courses as highlighted in previous TBM reports. This is due to leases ending and reduced rental values reflecting the economic downturn.</p>	<p>There are savings of £0.099m for City parks in the 2014/15 Budget.</p> <p>This on-going income pressure has been addressed as part of the 2014/15 budget setting process.</p>
<b>City Regeneration</b>			
(14)	Economic Development	The Economic Development outturn position has improved from a forecast overspend of £0.018m at Month 9. The movement is largely due to external grant funding being used to fund existing staff costs.	
13	Sustainability	The overspend is due to the unrecoverable income budget to cover the cost of staff time.	This pressure has been funded as part of the 2014/15 budget setting process.
<b>Planning &amp; Public Protection</b>			
2	Development Planning	The outturn overspend position of £0.079m within the Development Management services was	There are 2014/15 budget savings of £0.137m relating to management reshaping and service

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		£0.016m greater than anticipated at Month 9. This movement largely relates to employee costs arising from covering long term sickness and maternity absences. This has been partially offset by an underspend of £0.053m on Planning Strategy consultancy budgets. There are other minor underspends of £0.024m.	redesign.
(3)	Public Protection	There is a £0.071m overspend within Environmental Health and Licensing mainly due to an income shortfall of £0.033m and employee pressures of £0.023m. This overspend is offset by salary and supplies & services underspend of £0.074m within the Trading Standards service where vacancies are currently being managed.	The on-going income pressure has been addressed as part of the 2014/15 budget setting process. There is a 2014/15 budget saving of £0.032m for Trading Standards in respect of a reduced establishment and refocusing on core statutory enforcement functions.
<b>Housing</b>			
(864)	<b>Corporate Critical</b> Temporary Accommodation & Allocations	The main reason for the improved 2013/14 outturn position is due to uncertainty in the original budget and the forecasting of the potential impact of welfare reforms. While the full impacts are still emerging, in 2013/14 the impact has been, financially, lower than expected on homelessness budgets. The improvement since Month 9 is therefore a result of unutilised service pressure funding of a further £0.374m, received in 2013/14, an underspend on bad debt provisions of £0.044m, and other underspends totalling £0.129m including a £0.090m underspend for a deposit guarantee scheme. Costs related to the 'spot purchase' of Bed & Breakfast have increased as a result of the ending of a contract of alternative block booked provision	It remains prudent to closely monitor the impact of welfare reforms (including Universal Credit) and to anticipate a need for bad debt provision in 2014/15 in respect of potential rent defaults and/or evictions of tenants in private rented sector accommodation. The 2014/15 budget includes £0.640m service pressure funding which will be reviewed and monitored as part of the TBM process.

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		and more owners than anticipated requiring leased properties back in order to sell as the housing market picks up. These additional costs of £0.103m have been managed by an improved collection of Housing Benefits of (£0.164m).	
(181)	Local Delivery Vehicle	<p>The outturn position has improved by £0.181m from Month 9 due primarily to:</p> <ul style="list-style-type: none"> <li>• £0.083m of provision made in 2012/13 for the rent guarantee not now being required as any payments made under the rent guarantee are now treated as a long term debtor in the accounts</li> <li>• there was an underspend of £0.056m on the management fees (mainly on responsive repairs and cyclical maintenance).</li> </ul>	Underspend not expected to occur in 2014/15.
117	Travellers	The outturn position has improved by £0.017m compared to Month 9 mainly as a result of vacancy management. A significant part of the overspend reported at Month 9 was due to major investment required into the Horsdean temporary drainage solution in order to enable the transit site to remain open but these costs came in slightly lower than anticipated. Security costs were slightly increased and were over budget due to the incursion in November and threats to evict.	Service pressure funding of £0.100m has been included in the 2014/15 Budget to reflect the ongoing costs in this service.
169	Supported Accommodation	The overspend has increased by £0.150m from Month 9 due to unachieved savings of £0.092m which had not previously been forecast. There were also increased premises related costs from landlord rents of £0.030m and responsive repairs of £0.026m. The balance of £0.002m is a combination of minor changes across the individual services under Supported Accommodation	There is expected to be a similar pressure in 2014/15 which is increased by the savings target of £0.080m for Supported Accommodation included in the 2014/15 budget strategy. A review is currently underway to identify the options to address these issues and develop the financial recovery plan.

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
(26)	Other Housing	Overall, these areas have improved by £0.123m since Month 9. The Housing Strategy & Development position has improved by £0.027m mainly from income generation. Private Sector Housing has improved by £0.076m mainly from recovering appropriate costs at year end for work completed on the Additional HMO Licensing scheme. Fee income is used to fund this service over the 5 year term of the scheme. There has been an improvement of £0.020m within other service areas mainly from vacancy management.	

## Appendix 1 – Revenue Budget Performance

### Assistant Chief Executive - Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
3	Communications	811	819	8	1.0%
0	Royal Pavilion, Arts & Museums	3,806	3,828	22	0.6%
231	Tourism & Venues	1,599	1,836	237	14.8%
(11)	Policy, Civic, Performance & Communities	5,039	4,904	(135)	-2.7%
0	Sport & Leisure	778	774	(4)	-0.5%
223	Total Revenue - Assistant Chief Executive	12,033	12,161	128	1.1%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
<b>Communications</b>			
8	Communications	The provisional outturn for Communications is a minor overspend of £0.008m.	
<b>Royal Pavilion, Arts &amp; Museums</b>			
22	Royal Pavilion, Arts & Museums	Significant pressures against retail income have been covered by tight financial controls across the service, including vacancy management and essential spending only. The provisional overspend is £0.022m, equating to 0.6% of the net budget.	
<b>Tourism &amp; Venues</b>			
237	Tourism & Venues	Tourism & Venues are reporting a pressure of £0.237m at outturn, which is a slight increase from Month 9 and is broken down as follows: - Venues: As a result of the action taken to help	The review of ticketing arrangements in 2014/15 is expected to deliver an increase in revenue and potentially enhanced opportunities for marketing

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		secure further bookings and maximise future business opportunities the overall pressure reported this financial year compared to the previous financial year is much improved at £0.198m. There is an overspend of £0.039m against Tourism relating to a pressure on staffing costs and reduced advertising receipts against Marketing.	
<b>Policy, Civic ,Performance &amp; Communities</b>			
(135)	Policy, Civic, Performance & Communities	Savings have been made across the service from both pay and non-pay budgets to deliver a much improved position of £0.135m underspend, compared to £0.011m reported at Month 9.	
<b>Sport &amp; Leisure</b>			
(4)	Sport & Leisure	Sport & Leisure is reporting a minor underspend.	



Appendix 1 – Revenue Budget Performance

Public Health – Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Public Health	(410)	(410)	0	0.0%
0	Community Safety	1,399	1,389	(10)	-0.7%
10	Civil Contingencies	177	169	(8)	-4.5%
10	Total Revenue - Public Health	1,166	1,148	(18)	-1.5%

Key Variances £'000	Service	Description	Effect on the 2014/15 Budget
<b>Public Health</b>			
0	Public Health	This is a ring-fenced grant of £18.2m from the Department of Health, which has been provided to local authorities to discharge their new public health responsibilities. Adults contracts of £0.628m relating to preventative contracts were funded from the Public Health grant following a review of the grant balance available in 2013/14. At the end of the financial year there was an underspend of £0.576m (3.2% of grant amount) which has been carried forward, as part of a public health reserve, into the next financial year. In utilising these funds next year, the grant conditions will still need to be complied with.	Commitments against the Public Health grant will be monitored through the TBM process.
<b>Community Safety</b>			
(10)	Community Safety	Community Safety is reporting a small underspend.	
<b>Civil Contingencies</b>			

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on the 2014/15 Budget</b>
(8)	Civil Contingencies	Civil Contingencies is reporting a small underspend.	

## Appendix 1 – Revenue Budget Performance

### Finance & Resources and Law - Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(506)	City Services	12,288	12,056	(232)	-1.9%
0	Housing Benefit Subsidy	(569)	(706)	(137)	-24.1%
(20)	HR & Organisational Development	4,220	4,219	(1)	0.0%
225	ICT	7,355	7,681	326	4.4%
(462)	Property & Design	4,047	3,527	(520)	-12.8%
(139)	Finance	6,213	6,017	(196)	-3.2%
(74)	Legal & Democratic Services	3,308	3,145	(163)	-4.9%
(976)	Total Revenue - Resources & Finance	36,862	35,939	(923)	-2.5%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
<b>City Services</b>			
(232)	City Services	<p>Revenues and Benefits are reporting a final underspend of £0.404m after transferring £0.250m to the Welfare Reform Reserve to support the longer term budget planning for discretionary funds .</p> <p>This is the first year of budgeting for the new welfare reforms, and the delays and complexities of the schemes have been difficult to project accurately. The underspends have been mostly from payments from the Local Discretionary</p>	<p>A saving of £0.200m being a reduction in the recurrent funding for discretionary funds was included in the 2014/15 budget and in addition it has been planned to spread their use into 2015/16 due to the unexpected ending of national government funding for the local discretionary social fund.</p> <p>Other savings of £0.284m were made in the 2014/15 budget for Revenues and Benefits including the absorption of additional administration costs for the local Council Tax</p>

## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		<p>Social Fund (£0.358m), Council Tax Relief (£0.224m) and other discretionary discounts and payments (£0.155m) due to initial take up being lower than anticipated.</p> <p>Elsewhere in the service, there are higher than expected staff costs of £0.061m (mainly due to overtime costs incurred in covering vacancies), a shortfall of £0.041m in income recovery (due to the policy of trying to avoid court action where possible) and other variances of net underspends of £0.018m.</p> <p>Income pressures from the Crematorium, mostly due to the impact of major works from the Mercury Abatement scheme, are at £0.235m. However, vacancy management and other one off resources offset this by £0.170m to assist with the revenue implications of the works. The works are now complete and the capacity of the service is expected to return to normal in 2014/15. Elsewhere in Bereavement Services, plot sales at the Woodland Valley Burial Site have been less than expected, resulting in a shortfall of £0.147m. Registrars service continued to show a pressure of £0.073m and this has prompted a thorough cost effectiveness review which may result on the re-shaping of the service in 2014/15. Elsewhere there were underspends and efficiencies of £0.102m which offset the pressures due mainly to</p>	<p>Reduction Scheme (£0.194m) and a reduction in the discount period allowed for Class C properties (£0.090m).</p> <p>A financial recovery plan for Life Events has been drawn up by the service within the year and as a further action plan a monthly activity analysis will be developed and compared to previous years to give an earlier indication of reduced or increased income. This will provide improved management information about demands and trends over the year and between years, taking into account exceptional factors. The full effect of the recovery plan is expected to be seen in 2014/15. Life Events have a further savings target in 2014/15 of £0.226m, being a further increase to their income targets of £0.100m and restructuring savings, including reduction in staff costs, of £0.126m.</p>

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
		<p>higher than expected underspends in the Coroner's and Legal Charges services.</p> <p>The library service underspent during the year by £0.010m which was mainly due to vacancy management.</p>	
<b>Housing Benefit Subsidy</b>			
(137)	Corporate Critical - Housing Benefit Subsidy	The outturn on Housing Benefits Subsidy budget was an underspend of £0.137m compared to the breakeven position forecast at Month 9. The main reason for this improvement is that the net position on the recovery of overpaid benefit was £0.116m better than previously forecast.	
<b>HR &amp; Organisational Development</b>			
(1)	HR & Organisational Development	Human Resources and Organisational Development underspent by £0.001m in 2013/14; a significant turnaround on previous years. The service had identified a pressure following an analysis of the service's budget to realign staff estimates and income. This pressure has now been fully addressed for 2013/14 through a range of measures including holding vacancies, business process improvement efficiencies and reductions in the numbers attending training and professional qualifications for 2013/14.	<p>Strong financial management will continue throughout 2014/15 to manage ongoing pressures.</p> <p>Savings of £0.232m have been included in the budget for 2014/15, including efficiencies of £0.145m resulting from joint working arrangements, efficiency savings from the new allowances system and introduction of self-service in the Learning Resource Centre. There is also a reduction in spending of £0.087m in Adult Social Care and Children's workforce development budgets.</p>
<b>ICT</b>			
325	ICT	<p>The overspend for 2013/14 for ICT is £0.325m made up of:</p> <ul style="list-style-type: none"> <li>Pressures on VFM savings targets (Microsoft Enterprise agreement and</li> </ul>	The service is developing a financial recovery plan in the context of planning the delivery of the ICT Investment Plan and meeting new demands for increased information security

**Appendix 1 – Revenue Budget Performance**

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
		<p>telephony) of £0.140m.</p> <ul style="list-style-type: none"> <li>• The additional security costs relating to the Public Services Network Code of Compliance (PSN CoCo) of £0.150m including additional staffing, contracts and increased storage and backup costs.</li> <li>• Improvements to the internet feed to enhance internet performance in order to protect core business use of £0.035m.</li> </ul>	<p>following the government's recent announcement of a 'zero tolerance' approach. There are ongoing costs of the tighter security regime which have been factored into the 2014/15 budget.</p>
<b>Property &amp; Design</b>			
(520)	Property & Design	<p>The commercial rent forecasts are being maintained with income collection performing well despite the uncertain economic climate for rental properties on the high street. Higher income resulting from rent reviews, and lease renewals on the agricultural estate, increased rentals and occupation at New England House , some of which has been allocated to reserves, and negotiated rental increases on the contracted property portfolio have resulted in the underspend.</p>	
<b>Finance</b>			
(196)	Finance	<p>The overall underspend results partially from vacancies, in particular in Internal Audit, and partially from lower than anticipated implementation costs for service developments relating to banking, income and 'e-Budgeting'.</p>	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
<b>Legal &amp; Democratic Services</b>			
(163)	Legal & Democratic Services	The service is underspent in 2013/14 by £0.163m. This was mainly within Democratic Services, £0.102m, due to vacancy management and savings on supplies and services budgets. Legal Services also underspent £0.061m due to improved income generation/collection and vacancy control.	Savings of £0.209m have been included in the budget for 2014/15. Legal Services will contribute £0.126m of this mostly due to a reduction in posts and also from external fee income. Democratic Services are expected to save £0.083m next year due mainly to a reduction in the number of staff in the service.

## Appendix 1 – Revenue Budget Performance

### Corporate Budgets - Revenue Budget Summary

Month 9 Forecast Variance £'000	Service	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(250)	Bulk Insurance Premia	3,420	3,056	(364)	-10.6%
54	Concessionary Fares	10,144	10,188	44	0.4%
0	Capital Financing Costs	6,504	6,504	0	0.0%
0	Levies & Precepts	164	163	(1)	-0.6%
1,355	Corporate VfM Savings	(1,355)	0	1,355	100.0%
(567)	Risk Provisions	531	0	(531)	-100.0%
46	Other Corporate Items	(15,644)	(15,984)	(340)	-2.2%
638	Total Revenue - Corporate Budgets	3,764	3,927	163	-4.3%

### Explanation of Key Variances

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
<b>Bulk Insurance Premia</b>			
(364)	Bulk Insurance Premia	The underspend relates to a lower level of insurance claims paid during the year.	A saving of £0.100m has been built into the 2014/15 budget to reflect lower payments on claims based on current trends.
<b>Concessionary Fares</b>			
44	Concessionary Fares	The overspend is slightly less than forecast at Month 9 as bad weather over the Winter led to lower than anticipated concessionary journeys on routes where there is not a fixed deal in place.	The overall budget for reimbursing local bus operators for the cost of free travel for pensioners and the disabled is forecast to increase by 4.6% to £10.600m in 2014/15. Additional funding of £0.269m has been provided in the 2014/15 budget to manage this impact.
<b>Capital Financing Costs</b>			
0	Capital Financing	The council did not undertake new external	



Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
	Costs	borrowing during 2013/14, and has funded schemes such as the Keep and the Workstyles programme temporarily from internal reserves saving an estimated £0.210m on the Financing Costs Budget in 2013/14. The council will eventually have to undertake new external borrowing before the reserves are spent when money market conditions are assessed to be optimal. The underspend has been transferred to the Financing Costs reserve which covers future borrowing and investment interest rate risks.	
<b>Corporate VFM Projects</b>			
1,355	Corporate VFM Projects	The overspend relates to the level of uncertain savings resulting from Accelerated Service Redesign (voluntary severance (VSS) scheme) process and IT category spend outside of the ICT service. Details are provided in Appendix 2 (VFM Programme).	
<b>Risk Provisions</b>			
(531)	Risk Provisions & contingency	At Month 9 the budget included £1.934m for Pay & Pension provisions. A further £0.034m has been allocated for pay related issues and the remaining £1.900m has been transferred to reserves. There were Contingency and other items of £0.509m, mostly relating to Welfare Reform. Of this, £0.350m is included on the carry forward schedule to support ongoing Welfare Reform and Non Domestic Rates work and the remainder has been allocated in year. There was a previously forecast underspend	

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
		of £0.567m on Risk Provisions which has reduced to £0.531m at the year end.	
<b>Other Corporate Items</b>			
(340)	Other Corporate Items	The position on Other Corporate budgets improved by £0.386m compared to Month 9. This was mainly a result of receiving the Capitalisation Grant of £0.409m in late March which was not anticipated and could not therefore be utilised in the current financial year.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

Month 9 Forecast Variance £'000	Housing Revenue Account	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(58)	Employees	8,660	8,591	(69)	-0.8%
29	Premises – Repair	11,029	10,837	(192)	-1.7%
(193)	Premises – Other	3,286	3,066	(220)	-6.7%
37	Transport & Supplies	2,236	2,000	(236)	-10.6%
112	Support Services	1,969	2,021	52	2.6%
(3)	Third Party Payments	147	127	(20)	-13.6%
0	Revenue contribution to capital	23,203	23,203	-	0.0%
(252)	Capital Financing Costs	5,765	5,720	(45)	-0.8%
(328)	Net Expenditure	56,295	55,565	(730)	-1.3%
17	Dwelling Rents (net)	(49,234)	(49,180)	54	0.1%
(64)	Other rent	(1,269)	(1,387)	(118)	-9.3%
95	Service Charges	(4,932)	(4,874)	58	1.2%
(15)	Supporting People	(465)	(484)	(19)	-4.1%
(14)	Other recharges & interest	(395)	(406)	(11)	-2.8%
19	Net Income	(56,295)	(56,331)	(36)	-0.1%
<b>(309)</b>	<b>Total</b>	<b>-</b>	<b>(766)</b>	<b>(766)</b>	

Explanation of Key Variances

Key Variances £'000	Service	Description	Effect on 2014/15 Budget
<b>Housing Revenue Account</b>			
(69)	Employees	This is due to vacancy underspends across the Housing Management Service.	This underspend is not set to continue into 14/15 – budgets have been zero based.
(192)	Premises - Repairs	The main variations within the Premises Repairs area include an underspend of £0.100m for Responsive repairs and £0.087m for Empty Property Repairs as a result of cost efficiencies achieved with the Repairs Partnership. There is also an underspend of £0.085m relating to the Housing Centre repairs and maintenance costs being lower than budgeted for. These are partially offset by an overspend of £0.089m for fire risk surveys.	The budget for 2014/15 reflects efficiencies made by the repairs partnership with regard to empty property repairs. The budget for fire risk surveys has not been changed so this is a possible pressure to be managed within the HRA TBM process.
(220)	Premises- other	This relates to an underspend of £0.130m for electricity and gas costs due to lower contract inflationary increases and lower consumption than originally budgeted for, in part, due to the mildness of this winter. The other major underspend of £0.090m relates to a charge for property insurance due to a lower level of claims, particularly for house fires.	Some of these underspends will continue into 2014/15 as the billing data was not available at budget setting time.
(236)	Transport & Supplies	This budget was originally forecast to overspend by £0.037m at month 9. However, it has now underspent by £0.236m. The major changes that have caused this swing are: the HRA budgeted contribution to discretionary housing payments of £0.070m was not required by the general fund and this was not known until the year end. There have been many small underspends throughout the service including a £0.153m underspend on general office, print and design costs and further underspends of £0.036m on the transfer incentive scheme and £0.034m on legal costs. These are partially offset by additional Homeless Bed & Breakfast payments of £0.053m due to additional decants.	Some of these underspends will continue into 14/15 and finance will be working with budget holders to report these underspends at an early stage and maximise efficiency savings in these areas for the 15/16 budget.
52	Support Services	Additional Legal support of £0.050m required by Housing Services due to additional work requirements resulting from welfare reform and capital programme major projects.	This has been built into the budget for 14/15.

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
0	Revenue Contribution to Capital	<p>An amount of £1.276m revenue contribution to capital has been transferred into the HRA capital reserves towards funding reprofiled capital expenditure in 2014/15.</p> <p>The revenue contribution to capital also includes the use of £0.373m to set up an earmarked HRA reserve for Renewable Energy Projects. The funding of this reserve is financed from Feed-In Tariff income (£0.028m) from solar PV installations on council dwellings and renewable heat incentive monies (£0.345m) received during 2013/14. The proposal is that the earmarked reserve is set up with ongoing contributions from the HRA Feed-In Tariff income and energy grants received each year being used to fund HRA renewable energy projects, which would fall mainly within the HRA Capital Investment Programme.</p>	
(45)	Capital Financing Costs	<p>There was a reduction in capital financing costs amounting to £0.244 million as a result of lower levels of borrowing than originally budgeted for. An amount of £0.150 million has been transferred to the revenue contribution to capital and subsequently transferred to capital reserves towards funding reprofiled HRA capital schemes. The underspend was offset further by the cost of revaluation losses of £0.046m from the commercial property portfolio.</p>	<p>This budget is zero based each year so underspends in 2013/14 will not affect 2014/15.</p>
54	Dwellings rents	<p>This minor (0.1%) reduction in rent income relates to a slightly higher level of Right to Buy sales than was originally budgeted for.</p>	<p>This budget is zero based each year so this overspend will not affect 14/15</p>
(118)	Rents-Other	<p>This over-achievement of income relates to car park income from private users of £0.024m and increased income of £0.094m from the HRA commercial rent portfolio due to rent levels being revised after the original budget was set.</p>	<p>The 2014./15 budget reflects increases in commercial rental income as part of the 14/15 HRA savings package.</p>

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b>	<b>Effect on 2014/15 Budget</b>
58	Service Charges	The major variances relate to a slight under recovery of income from service charges to leaseholders of £0.036m (a variance of 2.8%) which relates to the actual cost of capital works billed being lower than estimated. TV Aerial income is £0.027m less than budgeted as a result of charges not being applied to as many tenants as originally anticipated.	This is not set to continue for 14/15.

## Dedicated Schools Grant - Revenue Budget Summary

Month 9 Forecast Variance £'000	Dedicated Schools Grant (DSG)	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Individual Schools Budget (ISB) <i>(This does not include the £7.114m school balances brought forward from 2012/13)</i>	120,369	120,369	0	0.0%
(65)	Early Years Block (excluding delegated to Schools) including Private Voluntary & Independent (PVI) <i>(Early Years 3 &amp; 4 year old funding for the 15 hours free entitlement to early years education)</i>	11,837	11,896	59	0.5%
(281)	High Needs Block (excluding delegated to Schools); <i>(This includes the £1.089m underspend brought forward from 2012/13)</i>	17,074	16,212	(862)	-5.0%
(668)	Exceptions and Growth Fund	4,594	3,950	(644)	-14.0%
0	Grant Income	(152,810)	(152,810)	0	0.0%
(1,014)	Net DSG Budget	1,064	(383)	(1,447)	-136.0%

## Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
<b>Early Years Block</b>			
123	Funding for Three & Four Year Olds	Overspend relating to increase in pupil numbers from January 2014.	The higher pupil numbers will result in additional DSG funding in 2014/15. This is also a departmental critical budget
(64)	Funding for Two Year Olds	This relates to a lower than anticipated take up of early years free entitlement for 2-year olds.	This is also a departmental critical budget
<b>High Needs Block</b>			
123	Sick Children	Estimated overspend in the budget for educating children	The High Needs Block is currently

**Appendix 1 – Revenue Budget Performance**

<b>Key Variances £'000</b>	<b>Service</b>	<b>Description</b> (Note: FTE/WTE = Full/Whole Time Equivalent)	<b>Effect on 2014/15 Budget</b>
		who are unable to attend school due to illness and are taught in hospital.	being fully costed and a revised split of funding will be agreed early in this financial year.
(242)	Educational Agency Placements	Costs in children's education agency placements being less than anticipated due to a lower than budgeted number of placements. This was identified at £0.200m for Month 9.	As above.
(172)	Special Educational Needs (SEN)	An underspend in High Needs top up payments to other local authority schools and Further Education colleges. This is the first year of the new DSG funding arrangements – split into the relevant blocks, and for many of the changes there were many unknown outcomes – The budget provision for some of the high cost areas such as education agency placements and FE colleges was made on the basis of Autumn 2012 student numbers and, as part of the new funding process, the onus moved to providers with regard to invoicing the LA for high needs support	As above.
(151)	SEN	An underspend in Early Help provision. This was planned to be allocated to clusters of schools, however not all clusters submitted bids and some of those that did were not successful	As above.
(127)	Unspent balance brought forward from 2012/13	Half of this was planned to be allocated in year, however this did not transpire	As above.
(123)	School Inclusion	This was planned to be allocated in year, however the level of need was not as much as anticipated	As above.
(117)	Inter Authority Recoupment	Lower level of recoupment payments to other local authorities than anticipated. Only £10k was identified as at month 9, and this is one of those areas where there were unknown outcomes.	As above.
(39)	Education of Looked After Children	Average unit costs are lower than originally budgeted.	As above.



## Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Effect on 2014/15 Budget
(14)	Various	Other minor underspends.	
<b>Exceptions &amp; Growth Fund</b>			
		The total underspend of £0.644m in this area relates to items specifically approved by the Schools Forum and is therefore not available for general DSG spending:	This will be reviewed as part of the review of 2014/15 and planning for 2015/16.
(318)	Early Years	This relates to increasing the capacity of providers and must be spent on this area subsequently in 2014/15.	This will be spent in 2014/15.
(159)	Exceptions	This central budget is held to meet historical commitments, for example, schools' equal pay and combined services costs, together with other statutory items paid on behalf of schools. The allocation of the Exceptions budget is approved by the Schools Forum. This small underspend relates to the currently unallocated exceptions budgets.	This will be reviewed as part of the review of 2014/15 and planning for 2015/16.
(122)	Carbon Reduction Commitment (CRC)	£0.122m relates to the CRC underspend in 2013/14.	The CRC scheme has ended for 2014/15.
(121)	Admissions & Transport	Staffing and other savings.	Funding of £0.191m has been transferred into the High Needs block for 2014/15.
76	Various	Other minor overspends.	

## NHS Trust Managed S75 Budgets - Revenue Budget Summary

Month 9 Forecast Variance £'000	S75 Partnership	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
139	Sussex Partnership Foundation NHS Trust (SPFT)	11,405	11,522	117	1.0%
47	Sussex Community NHS Trust (SCT)	641	629	(12)	-1.9%
186	Total Revenue - S75	12,046	12,151	105	0.9%

## Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Effect on the 2014/15 Budget
<b>Sussex Partnership Foundation NHS Trust</b>			
117	SPFT	Sussex Partnership NHS Foundation Trust are reporting an overspend of £0.234m at outturn (a decrease of £0.044m from Month 9). The overspend reflects pressures from a lack of affordable residential and nursing placements across the board, potentially leading to increased use of high cost placements and waivers within Older People Mental Health. There continues to be a pressure from an increase in need and complexity in Adult Mental Health and forensic services within residential and supported accommodation. Overall activity shows that there are 72 whole time equivalent clients more than budgeted (increase of 9%). In line with the agreed risk-share arrangements for 2013/14 the overspend has been shared 50/50 between SPFT and BHCC and this has been reflected in the overspend of £0.117m reported here.	The risk sharing arrangement for 2014/15 will continue on a 50:50 basis. Financial recovery measures deployed in the latter part of the year will continue in 2014/15 to manage the pressures on residential and nursing placements alongside action to improve commissioning options locally. Service pressure funding of £0.500m has been allocated in 2014/15 to address underlying issues and expected demographic growth.
<b>Sussex Community NHS Trust</b>			
(12)	SCT	The Integrated Community Equipment Store (ICES) budget is showing an underspend of £0.012m at outturn, representing an improvement of £0.059m from Month 9. It should be noted that the specific budget line for purchase of equipment was overspent by £0.031m.	

## Carry Forward Requests 2013/14

Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
<b>Non Grant Funded Areas</b>				
Children's Services	Education & Inclusion	Educational Psychology	The carry forward requested of £0.015m is for a one-off bursary payment to Southampton University which will guarantee Brighton & Hove a Trainee Educational Psychologist (TEP) for next year. The TEP will have one day a week at university and 4 days a week on placement with the Council. The TEP will undertake supervised casework in our schools and will carry out Local Authority directed research for their doctoral thesis. The 4 days a week placement will add valuable additional capacity at a very low cost and the research will link in to one of our key priority areas in the Brighton & Hove Special Educational Needs Partnership Strategy.	15
Children's Services	Child Health, Safeguarding & Care	Family Support	Carry forward of Adaptations underspend in contribution to proposed capital scheme in respect of a new residential disability service.	40
Children's Services	Child Health, Safeguarding & Care	Adoption	Non-ringfenced Adoption Reform Grant element required for continued development of the adoption process and funding of inter-agency fee increase.	419
Children's Services	Child Health, Safeguarding & Care	Social Work	Carry forward is requested to meet the associated costs of the 1st stage of rationalisation and reconciliation of data and documentation held on IDOX/Care First systems.	60
Children's Services	Child Health, Safeguarding & Care and Stronger Families, Youth & Communities	Social Work	To fund the initial set up costs of the Multi Agency Safeguarding Hub (MASH). To include building modifications, BT fees and charges, IT, Telephony, Furniture & Equipment, removal fees and a MASH module for the Carefirst system. Includes Carefirst upgrade and unlimited user licenses.	168
Children's Services	Stronger Families, Youth & Communities	Youth Offending	OFSTED Youth Inspection Service Implementation. Following the Ofsted thematic inspection in December there is considerable work that needs to be undertaken to address issues around vulnerable young women coming into the criminal justice system. In effect we need to address whether our pathways and services are developed in a way to identify the risk and work effectively around prevention of exploitation and associated offending and early help with young girls. Carry forward is requested to undertake a project as part of Stronger Families, Stronger Communities, led by the Youth Offending Service, to identify those young women at risk and develop pathways that link to the emerging early help	35
Environment, Development & Housing	City Regeneration	Economic Development	The Portas Pilot grant funding was awarded to the council by the Department for Communities and Local Government in July 2012. The majority of the unspent funds have been allocated to new and existing projects which are contributing to the regeneration of the London Road area; this has the additional benefit of reducing vacancy rates, generating more employment and entrepreneurship and potential for additional business rates income for the council.	57
Environment, Development & Housing	City Regeneration	Economic Development	This budget has been used for the Greater Brighton City Deal and includes contributions from other local authority partners for the Greater Brighton Economic Board and City Deal programme. Partners would expect us to carry forward the funding to 2014/15 to enable delivery of the Greater Brighton Economic Board and Investment Programme.	15

Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
Environment, Development & Housing	City Regeneration	Economic Development	Contributions from reserve to fund consultancy fees for Super Connected Cities Project was made during 2013/14. The carry forward request represents a timing delay in the works initially funded.	5
Environment, Development & Housing	Planning & Public Protection	Public Protection	Funding for Health Development programmes refundable to the commissioner (formally Primary Care Trust, now Public Health) if not spent. The commissioner has agreed to the carry forward of funding.	106
Environment, Development & Housing	Planning & Public Protection	Public Protection	Funding for smoking cessation programme refundable to the commissioner (formally Primary Care Trust, now Public Health) if not spent. The commissioner has agreed to the carry forward of funding.	31
Environment, Development & Housing	Planning & Public Protection	Public Protection	Funding for the Health Trainer programme, refundable to the commissioner (formally Primary Care Trust, now Public Health) if not spent. Commissioner has agreed to the carry forward of funding.	72
Environment, Development & Housing	Planning & Public Protection	Development Planning	Balance of funding for City Plan examination made available as a one-off funding allocation. Additional costs are anticipated following the Planning Inspector's initial conclusion on the City Plan. These include further studies required by the Planning Inspector. These will result in further public consultation, changes to the plan to address the Inspector's concerns and the possibility of re-opening the examination. The inspector will recharge costs for producing the final report and any additional sitting days.	120
Environment, Development & Housing	Housing General Fund	Private Sector Housing	Balance of £0.030m legal fees for pursuing a Compulsory Purchase Order on 87 Chester Terrace.	26
Environment, Development & Housing	Housing General Fund	Homelessness	The Preventing Offender Accommodation Loss (POAL) project (originally funded by the Ministry of Justice and then the National Offender Management Service) has extended its scope to women offenders (currently only open to men) serving prison or community rehabilitation orders connecting with the Inspire Project. The extension will also allow Multi Agency Public Protection Arrangements (MAPPA) for high risk offenders in the community to locate accommodation in the private rented sector. In 2014/15 the project will look to work with women with children in care as a way of reuniting these families and reducing the cost to the local authority. These initiatives will feature in the new Homelessness Strategy 2014 – 2019. The amount requested has been carried forward for the previous two financial years which is why the scope of the scheme has been extended.	62
Environment, Development & Housing	Housing General Fund	Homelessness	To support continued work on the Housing Options IT package for the management of the Homelessness and reporting function to Central Government that has been partially implemented in the current financial year and requires modification to meet service requirements (Void reporting)	17
ACE	Royal Pavilion Arts & Museums	Arts	As per Budget Council amendment - £0.010m to be carried forward from the 2013/14 allocation to support the Parade and Village party.	10
ACE	Royal Pavilion Arts & Museums	Arts Programme budgets	White Night (originally an Interreg scheme) - legacy project Late Night	19

Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
ACE	Royal Pavilion Arts & Museums	Arts Programme budgets	Remaining funds relating to externally funded projects which roll forward e.g. Film City and work of the Arts and Creative Industries Commission from bodies such as Arts Council, University of Brighton, Section 106.	29
ACE	Policy Civic Perfm & Communities	Partnerships & External Relationships	Partnership funding from Police, Clinical Commissioning Group (NHS) and other partners held by BHCC on behalf of the Strategic Partnership. These projects are resourced from the City Management Board (CMB) partnership fund and are either new initiatives agreed by CMB / Brighton and Hove Connected or are longer term projects under way but not yet completed. Details of this year's committed allocations: - £0.010m Community Insight (replacement partnership intelligence service) - £0.030m City Tracker Survey (agreed new approach for 14/15 and 15/16) - £0.080m Black & Minority Ethnic (BME) / Transgender / Disability Needs Assessment Programmes (the first two projects are underway and the disability assessment has been committed through the Corporate plan). - £0.015m Apprentice - £0.020m Resourcing of Brighton & Hove Connected (ongoing partnership funding for the partnership) - £0.053m CMB Projects and Initiatives (ongoing resourcing of CMB projects).	208
ACE	Policy Civic Perfm & Communities	Communities, Equality & Third Sector	Balance of funding from partners and council underspend for Diversity Mentoring Scheme.	50
ACE	Policy Civic Perfm & Communities	Communities, Equality & Third Sector	Third Sector contract extensions (P&R 05/12/13) required to deliver the new prospectus in 2014 (a multi-year project).	80
ACE	Policy Civic Perfm & Communities	Communities, Equality & Third Sector	Financial Inclusion commissions 2013-2016. (This is a multi-year project where funding could only be released once commissions have been agreed. These are the last commissions which will cover 2014/15-2015/16) - £0.0356m Community Banking Commissions starting April 2014 - £0.067m East Sussex Credit Union contract/funding	423
ACE	Policy Civic Perfm & Communities	Communities, Equality & Third Sector	Specific Department of Health funding and committed revenue contribution for Healthwatch (multi-year project).	110
ACE	Sport & Leisure	Sports Development	Active for Life - the funds to be carried forward have been sourced from external partners and will enable further community engagement programmes to be delivered targeting the least active and improving health and wellbeing.	21
ACE	Sport & Leisure	Sports Development	TAKEPART - balance of external funding received from various partners to help increase sport and physical activity participation levels of residents, delivering the priorities identified in the Joint Needs Assessment and Sport and Physical Activity Strategy. The funding will enhance accessible opportunities for people of all ages and abilities.	9

Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
Public Health	Community Safety	Community Safety	A corporate commitment was made to carry out a BME Needs Assessment which is being led & delivered by the BME Community Partnership. Financial contributions are made from CCG (£0.015m); Housing (£0.010m) and Communities & Equalities Team (£0.010m). Community Safety is not contributing to costs, but holds the budget. The underspend has arisen as the development phase for the project is taking longer than anticipated. Further project costs are expected to be £0.032m in 2014/15.	32
Public Health	Community Safety	Community Safety	Income achieved from increased pan-Sussex working and from European funding for CAFTA project (Communities & Families Tackling Addiction). Match funding is required for continuing high performing work of CAFTA from October to March 2015 .	50
Finance, Resources & Law	HR & Organisational Development	Workforce Development	Carry forward of the 2013/14 underspend is requested to support 2014/15 expenditure on the "Living Our Values Everyday" project as it spans more than one year.	82
Finance, Resources & Law	ICT	ICT	Due to the expiry of the current Multi Function Device (MFD) contract (i.e. printers) it is expected that there will be some end of contract costs for the machines. This and the delay in the implementation of the new contract means that these costs will now be incurred in 2014/15.	38
Finance, Resources & Law	Property & Design	Property & Design	The Hangleton Community Centre project was originally planned to be funded from 2013/14. The request is that the funds be carried forward to 2014/15.	21
Finance, Resources & Law	Property & Design	Estates Team	Carry forward of the remainder outstanding on the Farm Maintenance contract is requested.	164
Finance, Resources & Law	Property & Design	Estates Team	Carry forward of unspent funds for the refurbishment of toilets at New England House is requested.	196
Finance, Resources & Law	Finance	Modernisation Fund	Carry forward of the balance of 2013/14 Modernisation Fund resources, which are already committed to the Modernisation Programme and VFM Projects for 2014/15.	275
Corporate	Contingency	Contingency	Carry Forward of unspent Contingency budget to support ongoing Welfare Reform work.	297
Corporate	Contingency	Contingency	Carry Forward of unspent contingency to support the Non Domestic Rates Income Collection Project as agreed by Policy & Resources Committee on 16th January 2014.	53
Various	Various	Various	A carry forward of £0.154m is requested to support various projects currently subject to ICT related delays. These include Adults Services (Customer management Software £0.020m), ACE (Interplan system £0.025m), Children's (new Youth Offending Service system £0.070m) and Finance Resources & Law (ICT) (schools and children's related projects £0.039m).	154
<b>Total Non Grant Funded Areas</b>				<b>3,569</b>

#### Grant Funded Areas

Children's Services	Education & Inclusion	Dedicated Schools Grant (DSG)	Under the Schools Finance Regulations the unspent part of the DSG must be carried forward to support the Schools Budget in future years.	1,447
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Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
Children's Services	Stronger Families, Youth & Communities	EU funded "Daphne" protecting children project.	Carry forward balance of 2 year funding allocation in respect of EU grant. This grant spans a 2 year period (2013/14 being year 1) and the carry forward figure relates specifically to the profiled amount required to complete all funded activities in the final year.	84
Children's Services	Stronger Families, Youth & Communities	Stronger Families Stronger Communities Grant	The carry forward results from developing a 3 year budget plan (2013/14 being year 2) and as confirmed by the Troubled Families Unit, significantly more income being realised in relation to payment by results funding in 2013/14. From the total carry forward requested up to £0.650m is requested to be further carried forward in 2015/16. This funding will be used to complete the existing programme in line with the National Troubled Families Unit (TFU) requirements including ensuring sustainability. There is no constraint from the funding source (TFU) regarding carry forward.	858
Environment, Development & Housing	Transport	Highways	Additional Highways Maintenance Grant / Severe Weather Payment not received until 28th March 2014. BHCC will have to publish details of how it has been spent on repairing roads.	187
Environment, Development & Housing	City Infrastructure	City Clean	DCLG Weekly Collection Support Grant for waste collection. Grant income is to fund the capital and revenue setup up costs of city centre communal recycling as agreed at ETS Committee. Carry forward value represents unspent funds of the scheme still to be used for project and further recycling incentives and engagement campaigns.	161
Environment, Development & Housing	Housing General Fund	Housing Related Support	Positive Transitions project. Funding from DCLG via a Section 31 grant which does not carry any conditions.	15
Public Health	Public Health	Public Health	Any funds left over at the end of the financial year can be carried forward as part of a public health reserve - in line with the grant conditions. All the conditions that apply to the use of the grant will continue to apply to the funds being carried forward.	576
Finance, Resources & Law	HR & Organisational Development	Workforce Development	This is residual funding from the Children's Workforce Development Council (CWDC) to support social work development. The CWDC was abolished 31 March 2012 with no mechanisms to repay any unused funding. We are working closely with the service to exhaust the residual CWDC funds (£0.167m) in 2014/15, but are likely to have a much smaller carry over requirement for education support and Assessed & Supported Year in Employment (ASYE) funding which is linked to academic years.	167
Finance, Resources & Law	HR & Organisational Development	Workforce Development	Assessed & Supported Year in Employment (ASYE) for Children's Services - To support the implementation of the ASYE development and support programme for newly qualified social workers (NQSWS) in Children's Services. Funding is calculated by the Department for Education (DfE) as an amount per NQSW.	32
Finance, Resources & Law	HR & Organisational Development	Workforce Development	Assessed & Supported Year in Employment (ASYE) for Adult's Services - as above but in Adult's Services and funding provided by Skills for Care.	8

Directorate	Unit	Service Area		Proposed Carry Forward Amount (£'000)
Finance, Resources & Law	HR & Organisational Development	Workforce Development	Education Support Grant (previously Daily Placement Fees) from the Universities of Sussex and Brighton - a fee paid to social work placement providers for providing placements for social work students. This is claimed on behalf of placement providers by Higher Educational Institutes (University of Sussex, University of Brighton and Open University) and then passed on to placement providers. These fees used to be paid by the General Social Care Council until they closed this year and the Department of Health (DoH) is currently undertaking this role.	72
<b>Total Grant Funded Areas</b>				<b>3,607</b>
<b>Total Carry Forward Requests</b>				<b>7,176</b>



## Value for Money Programme Performance

Projects	Savings Target £m	Achieved £m	Unachieved £m	Achieved %
Adult Social Care	2.284	1.634	0.650	71.5%
Children's Services	2.660	3.793	0.000	142.6%
ICT	0.410	0.181	0.229	44.1%
Procurement *	1.396	1.396	0.000	100.0%
Workstyles	0.440	0.440	0.000	100.0%
Business Process Improvement *	0.320	0.320	0.000	100.0%
Accelerated Service Redesign (VS Scheme)	2.500	1.374	1.126	55.0%
Additional Management Savings 2012/13 (FYE)	0.175	0.149	0.026	85.1%
Client Transport	0.130	0.130	0.000	100.0%
<b>Total All VfM Projects</b>	<b>10.315</b>	<b>9.417</b>	<b>2.031</b>	<b>91.3%</b>

\* These savings are retained by the service areas in which they occur.

## Explanation of 'Uncertain' VfM Savings:

Key Variances £'000	Description	Mitigation Strategy for Uncertain Savings
<b>Accelerated</b>	<b>Service Redesign</b>	
1,126	Accelerated Service Redesign required services to identify opportunities to accommodate staffing reductions through applications to a Voluntary Severance Scheme (VSS). The savings target of £3m (full year) was known to be challenging and at the conclusion of the process there is a shortfall of £1.126m (£1.295m full year shortfall).	As previously reported, Directorates have been requested to revisit service redesign proposals and have been given indicative targets to meet in order to address the shortfall in 2014/15 of £1.295m.
<b>Adult Social</b>	<b>Care</b>	
650	The Adult Social Care service has been under pressure throughout the financial year. Although VfM measures have	Although the VfM programme has under-achieved in 2013/14 due to pressures across the service, it is still a

Key Variances £'000	Description	Mitigation Strategy for Uncertain Savings
	continued to be successful, the success of measures such as re-ablement and Telecare has been impacted partly by delays in other developments across Adult Social Care including Extra Care Housing and partly by additional demands on the service.	successful programme that has delivered £1.6m savings in 2013/14 and ongoing savings of almost £6m per annum over 3 years. The shortfall in 2013/14 has also been mitigated by additional Continuing Health Care funding for placements of £0.801m, some of which may be ongoing.
<b>ICT</b>		
229	A review of spending across all IT hardware and software categories in all services outside of the ICT service identified that spending has not always been consistent with corporate ICT strategy and also that potential procurement economies could be achieved. It was planned to allocate this saving across the council but was found to be unworkable due to the variable timing of contract renewals and licensing.	This does not mean that savings cannot be made in this area but this will now become part of a new Value for Money approach on 'third party spending' in 2014/15 which will adopt a more robust Category Management procurement approach and increased governance of ICT expenditure across the council.
<b>Additional Management Savings 2012/13</b>		
26	There is a small shortfall against the £0.400m Additional Management Savings 2012/13 of which the full-year effect of £0.175m has been achieved in 2013/14. The achieved savings of £0.374m resulted from two senior management restructures implemented by the Interim Chief Executive and subsequently completed and refined by the newly appointed permanent Chief Executive. The restructures resulted in a considerable number of changes which were originally estimated to meet the savings target in full but which, after all posts and costs were in place and known, resulted in a small shortfall, mainly due to variances in estimated employee on-costs.	This small shortfall was met from unallocated contingency.

## Children's Services – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at Other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage / reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Children's Health Safeguarding & Care	648	0	0	(635)	13	10	(3)	-23.1%
0	Education and Inclusion	13,808	0	(744)	(581)	12,483	12,482	(1)	0.0%
0	Schools	8,424	0	(659)	(1,220)	6,545	6,542	(3)	0.0%
<b>0</b>	<b>Total Children's Services</b>	<b>22,880</b>	<b>0</b>	<b>(1,403)</b>	<b>(2,436)</b>	<b>19,041</b>	<b>19,034</b>	<b>(7)</b>	<b>0.0%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Children's Health Safeguarding &amp; Care</b>				
Budget Slippage	(90)	Two Year Olds	The capital funding was made available to local authorities to help attract new entrants to the early education and childcare sector, particularly in areas where the childcare market is less developed. Only £0.010m was used in 2013/14 so the remainder of the budget will be carried forward in 2014/15.	
Budget Slippage	(471)	Short Breaks for Disabled Children	Children and young people in Brighton and Hove are eligible for short breaks if they have a severe learning and/or physical disability or have moderate learning difficulties, where it is assessed that their needs in terms of challenging behaviour/mental health issues can be met only through the input of specialist	The council is looking to develop the Early Help Agenda and further integrate the education/health/social care programme by developing a more holistic approach to meeting the

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			services.	needs of children, young people and their families. The council are now inviting applications for funding for projects from organisations and from other areas of the council who provide leisure or short break facilities.
Budget Reprofile	(74)	Various	Turner Lift project (£0.008m), Children's Social Services (£0.049m), 55 Drove Road - new vehicle (£0.017m). Reprofile is requested due to factors outside of the council's control.	
Variance	(3)	Various	Some minor underspends: Youth Capital Fund (£0.002m), Cherry Tree Nursery (£0.001m)	
<b>Education and Inclusion</b>				
IFRS/Other Changes	(744)	Various	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For the refurbishments within school buildings some of the costs are of a day-to-day servicing nature and are not capital expenditure. It would be impracticable for an authority to assess every item of expenditure when it is incurred as to whether it has enhanced an asset. The practical situation is instead that at the year-end an assessment is made by programme managers and finance to make sure that expenditure is correctly classified as capital or revenue. The capital budgets are reduced by the same amount as the items that are subsequently charged to revenue.	
Budget Reprofile	(188)	Devolved Formula Capital	Devolved Formula Capital is a financial resource that is devolved to schools by the LA. Part of the terms of this DfE grant provides schools the option to accrue the money for a maximum of 3 years. However, accrued funds are normally retained by the LA. The outstanding balances are funds that schools have chosen not to take this year. These outstanding	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			budgets are to be carried forward and made available in 2014/15.	
Budget Reprofile	(17)	Capital Maintenance 2012-13	There are a small number of modest outstanding commitments left against this budget. As a result, carry forward of £0.017m is requested to meet these commitments in 2014/15.	
Budget Reprofile	(317)	Capital Maintenance 2013-14	At TBM month 7 and month 9 problems with a number of major mechanical replacement projects were highlighted. The degree of design work for these projects has been quite considerable and has needed to take account of work in future years. However, the remaining projects have now been tendered and the first phase of work started over the Easter period. This has added to the underspend on this year's budget. A large asbestos removal and reinstatement project was started at a Junior School during the year. Unfortunately the contractor undertaking the work ceased trading halfway through the project. We are currently trying to resolve the issues raised by this and complete the work. Carry forward of a total of £0.317m unspent budget is requested to meet these outstanding commitments in 2014/15.	
Budget Reprofile	(10)	Structural Maintenance 2013/14	There are some modest outstanding commitments left against this code. As a result, carry forward of £0.010m unspent budget is requested to meet these commitments in 2014/15.	
Budget Reprofile	(49)	New Pupil Places	Carry forward of New Pupil Places capital funding (£0.049m).	
Variance	(1)	Various	Net underspend of (£0.001m) from various schemes of under (£0.050m).	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Schools</b>				
IFRS/Other Changes	(659)	Various	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For the refurbishments within school buildings some of the costs are of a day-to-day servicing nature and are not capital expenditure. It would be impracticable for an authority to assess every item of expenditure when it is incurred as to whether it has enhanced an asset. The practical situation is instead that at the year-end an assessment is made by programme managers and finance to make sure that expenditure is correctly classified as capital or revenue. The capital budgets are reduced by the same amount as the items that are subsequently charged to revenue.	
Budget Reprofile	(481)	Portslade Community Academy	The PACA contract has over-run and there is a need to hold retention payments until 12 months after the completion date. Owing to delays it is now unlikely to be completed until mid 2014/15. At that time we will be making the final payment and releasing 50% of the retention. We will be holding the remainder of the retention until the end of the defects period which will be 12 months after the completion date i.e. sometime in May 2015.	
Budget Reprofile	(129)	PACA Sustainable Transport	As part of the planning consent for PACA we were required to pay £0.129m towards the cost of transport infrastructure under a S106 agreement. This work is due to start in 2014/15.	
Budget Reprofile	(42)	Fairlight Primary Solar Panels	Carry forward of budget for Fairlight Primary Solar Panels (£0.042m).	
Budget Slippage	(68)	Hillside School Extension	Hillside School extension had a budget allocated to it of £0.250m of which £0.053m expenditure has occurred and the remaining budget needs to be carried forward to cover costs in 2014/15.	

**Appendix 4 – Capital Programme Performance**

<b>Detail Type</b>	<b>£'000</b>	<b>Project</b>	<b>Description</b>	<b>Mitigation Strategy</b>
Budget Slippage	(500)	Cardinal Newman School Extension	The total cost of the scheme is £3.7m and the school has used £0.5m of the £1m allocated from the council to part fund the scheme. The remaining £0.5m is needed in 2014/15.	
Variance	(3)	Various	Minor underspends under (£0.050m).	

## Adult Services – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at Other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage/ reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Adults Assessment	424	0	0	(49)	375	375	0	0.0%
0	Adults Provider	723	0	0	(81)	642	642	0	0.0%
0	Commissioning and Contracts	1,181	0	50	(26)	1,205	1,208	3	0.2%
<b>0</b>	<b>Total Adult Services</b>	<b>2,328</b>	<b>0</b>	<b>50</b>	<b>(156)</b>	<b>2,222</b>	<b>2,225</b>	<b>3</b>	<b>0.1%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Adults Assessment</b>				
Budget Reprofile	(49)	Various	Carry forwards for Adaptations for the disabled (£0.041m) and Telecare (£0.008m).	
<b>Adults Provider</b>				
Budget Reprofile	(81)	Various	Carry forwards for Learning Disability Accommodation (£0.034m), Belgrave Centre - Link Extension (£0.038m), DH Dementia Environment - Day Services (£0.003m), and DH Dementia Environment – CSTS (£0.006m).	
<b>Commissioning and Contracts</b>				
IFRS/Other Changes	50	ASC Vehicle Procurement	Transferred from Reserves.	
Budget Reprofile	(26)	Adult Social Care Reform	Reprofiling of budget for Adult Social Care Reform Grant (£0.026m).	
Variance	3	Various	Net overspend of £0.003m on various schemes.	The overspend will be met by either revenue or grant funding.



## Appendix 4 – Capital Programme Performance

### Environment, Development & Housing (General Fund) – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at Other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage/ reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	City Infrastructure	5,373	0	398	(1,778)	3,993	4,027	34	0.9%
0	City Regeneration	607	0	(11)	(352)	244	226	(18)	-7.4%
0	Planning & Public Protection	18	0	0	0	18	20	2	11.1%
0	Transport	10,668	0	114	(1,229)	9,553	9,565	12	0.1%
0	Housing	3,974	0	0	65	4,039	3,963	(76)	-1.9%
<b>0</b>	<b>Total Environment, Development &amp; Housing GF</b>	<b>20,640</b>	<b>0</b>	<b>501</b>	<b>(3,294)</b>	<b>17,847</b>	<b>17,801</b>	<b>(46)</b>	<b>-0.3%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Infrastructure</b>				
IFRS/Other Changes	398	Various	In order to reduce the impact of a new development and to make sure it does not place additional pressure on existing infrastructure such as roads, health or council services, the council's planning officers may seek contributions from the developer. These are secured through a 'Section 106' legal agreement or 'S.106 unilateral undertaking'. Usually developer contributions (through Section 106 agreements) are for highways; transport	

**Appendix 4 – Capital Programme Performance**

<b>Detail Type</b>	<b>£'000</b>	<b>Project</b>	<b>Description</b>	<b>Mitigation Strategy</b>
			<p>improvements and travel initiatives; community or recreation facilities; education; health; or affordable housing.</p> <p>Planning officers negotiate with the developer so that the proposed development is acceptable in planning terms. Developers are asked to pay for, or contribute towards, the cost of additional infrastructure needed to service the new development.</p> <p>The level of contribution will be related to the scale of the new development and its impact on the local environment. In 2013/14 some S106 monies were not known until after month 9 so these have to be included in the outturn report.</p>	
Budget Reprofile	(550)	Heritage Lottery Fund - The Level	The building element of the Level Restoration project is now complete, however there is a potential for additional expenditure for disputed sums in relation to the café building works. These disputed amounts are currently in the process of contract negotiation. All of the building contracts have residual monies held back as retention; these will be paid later on in this financial year.	
Budget Reprofile	(750)	Hollingdean Depot Capital Costs	There have been delays on the Hollingdean Depot scheme pending site evaluations. The service is now working up a refurbishment option of the existing workshop. The costs will be lower than the original full replacement option and when they are finalised, the capital programme will be amended.	
Budget Reprofile	(107)	Communal Recycling Project - Capital	There have been some minor delays to this project which is now due to finish in July 2014. Some expenditure was also significantly less than originally anticipated following effective	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			procurement processes; the funds available from the procurement savings are due to be used for recycling initiatives and incentive funds.	
Budget Reprofile	(35)	Woodingdean Allotments	Reprofiling of budget under (£0.050m).	
Budget Reprofile	(42)	Various	Carry forward of Queens Park Playground (£0.014m) and Stoneham Park S106 Works (£0.028m).	
Budget Slippage	(202)	Download Initiative Project	This budget is used to fund improvements in line with the Downland initiatives to facilitate the new open access areas. There has been limited expenditure to date due to previous schemes being funded from alternative sources, however commitments have been made for this budget in the 2014/15 financial year including the Patcham Court open access scheme.	
Budget Slippage	(92)	Various	Underspends on Saunders Park Playground (£0.025m), St Ann`s Well Gardens S106 (£0.016m), Tarner Park S106 (£0.012m) and Knoll Recreation Ground (£0.039m).	
Variance	(34)	Various	Net underspend on various schemes of under (£0.050m).	
<b>City Regeneration</b>				
IFRS/Other Changes	(11)	Redevelopment of King Alfred Swimming Pool	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For City Regeneration there is a watershed for capitalisation between the feasibility stage and the development stage of a project. In the feasibility stage, an authority is considering possible strategies for addressing a service issue and options that might be implemented. In the development stage, the authority has an objective to acquire, construct or enhance a particular fixed	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			asset. These are activities being undertaken to bring a particular asset into use. Until the development stage commences, expenditure would not normally be capitalised.	
Budget Reprofile	(94)	Open Market	The regeneration of the Open Market is nearing completion. The old Open Market has been demolished and the building works for the new market is now expected to be completed in early 2014/15.	
Budget Reprofile	(94)	Super Connected Cities	The Connection Voucher Scheme was not cleared for opening by the Department for Culture, Media and Sport until late February. As a result, there have been fewer vouchers issued in the 2013/14 financial year than originally forecast.	
Budget Reprofile	(164)	Various	Reprofiling of various small schemes is requested including: Improvements to New England House (£0.030m), Circus Street Development (£0.019m), Falmer Released Land (£0.044m), Regeneration of Black Rock (£0.015m), Redevelopment of King Alfred Swimming Pool (£0.036m), i360 project (£0.020m).	
Variance	(18)	Various	Net underspend from various schemes under (£0.050m).	
<b>Planning and Public Protection</b>				
Variance	2	Emergency Vehicle - Civil Contingencies	Small overspend on Emergency Vehicle – civil contingencies.	The overspend was funded by an increase in unsupported borrowing.
<b>Transport</b>				
IFRS/Other Changes	114	Various	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For Transport there is a watershed for capitalisation between the feasibility stage and the development stage of a project. In the feasibility stage, an	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>authority is considering possible strategies for addressing a service issue and options that might be implemented. In the development stage, the authority has an objective to acquire, construct or enhance a particular fixed asset. These are activities being undertaken to bring a particular asset into use. Until the development stage commences, expenditure would not normally be capitalised.</p>	
Variation	300	Local Safety Schemes (LTP)	<p>The DFT has awarded the council £0.300m from its Cycle Safety Fund for the Seven Dials Roundabout Improvement Scheme. This grant was notified and received after TBM 9 so it had not been reported to Members. Expenditure was incurred during the 2013/14 financial year, and the grant amount has now been claimed and received.</p>	
Budget Reprofile	(1,463)	Better Bus Areas	<p>The Valley Gardens Bus Scheme has had to be redesigned as the original concept did not fit the road layout and would have called for loss of extensive on-street parking leading to a member decision to redesign the scheme.</p> <p>The Eastern Road/Edward Street Bus scheme has taken longer to build than originally planned as a result of delayed recruitment of the project manager and late build start, plus the scheme expanding in scale and scope as a result of member and public consultation.</p>	
Budget Reprofile	(92)	Controlled Parking Schemes	<p>It is not possible to be entirely accurate with regard to the cost of parking schemes until they have been designed and consulted upon, through several different stages. The greatest expenditure is for Pay &amp; Display machines but the capital costs also include signing, lining, traffic orders and other works associated with implementing parking</p>	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			schemes which are not known with accuracy until the final detailed design and Traffic Order stage prior to going live. An element of costs of the implementation of the Preston Park Station North parking scheme originally anticipated for 2013/14 will now be spent in 2014/15.	
Budget Reprofile	(170)	Access to SDNP - Ditchling Road	This budget was set-up to cover the life of the project over two financial years. Works are continuing in line with the planned programme.	
Budget Reprofile	405	Various	<p>There are various variations to budget within the LTP programme which require budget carry forwards. The major variations are:</p> <ul style="list-style-type: none"> <li>• The Seven Dials project overspent for a combination of reasons such as design changes to extend footways improvements, an increase in design costs following the decision to build round the elm tree, and extension of the construction period due to adverse weather.</li> <li>• The reconstruction of the seafront arches is a complicated task due to their location and the way they were originally built. Some works have been carried out in advance of the original programme and there have been some additional costs due to unforeseen works; for example at the former shelter hall site following structural surveys suggesting the site to be structurally unsafe.</li> <li>• Unspent developer contributions for schemes relating to development of St Nicholas, Aldrington and West Hove schools require carry forward; the reason for these funds being unspent is due to the works being dependent on the development</li> </ul>	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>timetable at each school. Reprofile of the unspent budget is required as the contributions are ring-fenced to the individual developments.</p> <p>This overspend was funded from LTP Unapplied Grant from previous years.</p>	
Budget Reprofile	(15)	Various	Carry forward of Brighton Marina to River Adur Study (£0.010m), LSTF - Sustainable Transport Solutions (£0.005m).	
Budget Slippage	(194)	Local Sustainable Transport Fund	The real-time information extension and upgrade to GPRS is technologically complex and the procurement process has taken longer than expected.	The contract is now finalised and final on-site testing is taking place. The remainder of the project is on target to be delivered in 2014/15.
Variance	12	Various	Net overspend from various schemes under £0.050m each.	The overspend will be met by either revenue or grant funding.
<b>Housing</b>				
Budget Reprofile	(507)	LDV - Ongoing Costs	This capital scheme relates to capital works on Seaside Homes Properties, subsequent to development works and under the management of Temporary Accommodation. This scheme is funded by a management fee paid to the council from Seaside Homes and managed within the funding limits. There is a programme in place which estimated the majority of this budget to be spent by 2013/14. These costs have not materialised in 2013/14 due to the development works that were already completed, therefore limited ongoing works were required.	A review will be carried out in 2014/15 to see where and if these costs will materialise, and profiling of budgets will be updated accordingly.
Budget Reprofile	494	LDV - Post Lease Refurbishment	This capital scheme relates to capital works on properties that have been leased to Seaside Homes to bring homes across the city to a decent standard before being handed to Temporary Accommodation to nominate and manage the	This overspend will be managed by a reduced average cost of refurbishment in batches 8-10 of £0.018m per property to reflect a break-even position after

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>properties. This scheme is funded by a development fee paid to the council from Seaside Homes at an average cost of £0.021m per property (inflated by 5% on anniversary of the overarching agreement) and managed within these funding limits. As at 31st March 2014, 461 properties had been leased to Seaside Homes, of which 316 required refurbishment works after the lease date. The main reason for the re-profile on this budget is due to high cost of refurbishments in batches 5 &amp; 6 with a combined average cost of £0.036m per property (160% over the funding received).</p>	<p>refurbishing all 499 properties.</p>
Budget Reprofile	64	Permanent Travellers' Site	<p>The budget of £0.012m was the remaining balance of £0.020m drawn down upon the Homes &amp; Community Agency (HCA) grant in 2011/12 to cover preliminary costs on the permanent travellers' site. The additional costs incurred in 2013/14 relate to a small overspend against this drawdown (£0.004m) and cost associated with the planning application and architect fees (£0.060m) on the new permanent travellers site that will be funded by the HCA grant.</p>	
Budget Reprofile	52	Disabled Facilities Grants	<p>Although approved by the council, the completion of these works is dependent on the applicant proceeding and the appointed contractor completing the works. Due to the long lead in periods for some private sector grant aided major adaptations, the council has significant commitments against this budget. At Month 9, a budget re-profile was agreed to carry forward £0.189m to top-up the DCLG grant for 2014/15. However some of the significant commitments become payable in 2013/14 and 27% of the approved carry forward agreed at month 9 will be</p>	



**Appendix 4 – Capital Programme Performance**

<b>Detail Type</b>	<b>£'000</b>	<b>Project</b>	<b>Description</b>	<b>Mitigation Strategy</b>
			required to cover these costs.	
Budget Reprofile	(38)	Renovation Grants	Reprofiling of budget under £0.050m.	
Variance	(85)	Empty Homes Programme	Further to the update report to Housing Committee on 30th April 2014, the Homes and Community Agency (HCA) grant funding allocation for the Empty Homes Programme, £0.900m for Round 1 (of which £0.225m for Lewes DC) and £0.640m for Round 2 (of which £0.120m for Lewes DC), has been declined and returned to the HCA for re-allocation. This is due to the fact that despite extensive efforts to make the scheme work, homeowners did not proceed to the point of taking the funding on offer and consequently the deadlines and guarantees required by the HCA could not be met. The capital programme will therefore be updated and the budgets in both 2013/14 and 2014/15 removed. No funds had actually been received.	
Variance	9	Various	Net overspend from various schemes under £0.050m each.	The overspend will be met by either revenue or grant funding.

## Environment, Development &amp; Housing (Housing Revenue Account) – Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage/ reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	City Regeneration	390	0	0	(63)	327	327	0	0.0%
(435)	Housing	29,416	0	536	(1,676)	28,276	28,203	(73)	-0.3%
<b>(435)</b>	<b>Total Environment, Development and Housing HRA</b>	<b>29,806</b>	<b>0</b>	<b>536</b>	<b>(1,739)</b>	<b>28,603</b>	<b>28,530</b>	<b>(73)</b>	<b>-0.3%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Regeneration</b>				
Budget Reprofile	(63)	Various	Reprofiling of budget for schemes under (£0.050m) each: Redevelopment of HRA vacant garage sites (£0.049m), Feasibility and Design - Housing Investment (£0.014m).	
<b>Housing</b>				
IFRS/Other Changes	536	Various	Capitalisation of Property and Investment Team salaries allowable under IFRS regulations.	
Budget Reprofile	(94)	Roofing	£0.094m is required to be reprofiled for the Chates Farm Court project as this was a project that was expected to cross 2 financial years.	There is no negative impact on residents. Works to be completed during the first half of 2014/15.
Budget Reprofile	(333)	Fire Safety (Capital)	A programme of works at Craven Vale and Bates Estate was identified in partnership with East Sussex Fire & Rescue Service in 2013. The works required would need to be carried out over 2 financial years,	There is no negative impact to residents.

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			we therefore require funds to be reprofiled to 2014/15.	
Budget Reprofile	(54)	Cladding	Due to adverse weather effecting progress of the Essex Place investment programme, the remaining funds from 2013/14 will need to be reprofiled.	There is no negative impact to residents with the programme now expected to be completed in 2014. Please see comments for Cladding under Variance.
Budget Reprofile	(142)	Structural Repairs	£0.042m will need to be reprofiled to 2014/15 for Stevens Court as this is a project that is programmed over 2 financial years. St Aubyns project needs £0.100m to be reprofiled as this project was identified later in the financial year and is currently under review to see what works are required.	Residents are being kept up to date on what is happening and consulted as appropriate.
Budget Reprofile	(638)	Lifts	Following initial survey works it was decided that it would be more prudent to move the St James House lift replacement to 2014/15 to allow more structural surveys, due to the type of construction and the presence of asbestos. The replacement programmes at Leach Court, Nettleton Court and Hereford Court were delayed to allow for further negotiations on price, with Hereford starting on the 10th February and Leach/Nettleton starting on the 17th March. Philip Court will now start May 2014.	These delays are not expected to impact on the current 7 Year replacement programme.
Budget Reprofile	(70)	Balchin Court	The scheme was completed last year. Final construction retention sums to be agreed in 2014/15.	There will be no impact on scheme delivery.
Budget Reprofile	(106)	Various projects	There are a few capital budgets requiring reprofiling below £0.050 million as follows: Garages & Car Parks £0.042m, Brookmead Site Development £0.008m, Feasibility and Design – P&I £0.017m, Capital Works assessment £0.029m, Pre-Lease Conversion Refurbishment £0.010m.	
Budget Slippage	(239)	Solar PV Wide	With the solar PV procurement having some unforeseen delays, although works have now begun,	With the contractor now in place it is anticipated that the spend is

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			there is a requirement for £0.239m to be reprofiled to 2014/15, and added to the 2014/15 PV budget.	unlikely to be held up again. By allocating the budget to 2014/15, the anticipated overall amount approved for Solar PV can be delivered.
Variance	191	Condensation & Damp	Due to more emergency and urgent works being identified in the year, the budget is overspent.	There is no negative impact to residents. Levels of works required will be monitored during 2014/15 to see if the budgets need to be adjusted.
Variance	(101)	Cyclical Decorations	Due to the Park Royal blocks being sold a saving was identified in this financial year. This will be used to finance overspends in other areas.	There is no impact for residents. Funds have been reinvested in other parts of the programme.
Variance	61	Dwelling Doors	Due to the drive to make sure that the partnership hit decency in December 2013, more works were identified than previously anticipated when the budgets were set. This has caused an overspend in 2013/14.	This should have a positive impact for residents and mean that future works programmes should be reduced.
Variance	(68)	Asbestos	Due to the reactive nature of the works, not all the budget was required this year to complete the works identified.	There is no impact for residents. Monitoring is in place to ensure residents are not at risk.
Variance	(100)	Empty properties (capital)	All works identified to be carried out under this budget this year have been completed or had funds reprofiled and this has resulted in a £0.100m saving. This will be used to finance overspends in other areas of the programme.	There is no impact for residents. Funds reinvested in other parts of the programme.
Variance	355	Kitchens & Bathrooms	Due to the drive to make sure that the partnership hit decency in December 2013, more works were identified than previously anticipated when the budgets were set. This has caused an over spend in 2013/14.	This should have a positive impact for residents and mean that future works programmes should be reduced.
Variance	301	Rewiring	Due to the drive to make sure that the partnership hit decency in December 2013, more works were	There is no impact for residents. Levels of works required will be

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			identified than previously anticipated when the budgets were set. This has caused an over spend in 2013/14.	monitored during 2014/15 to see if budgets need to be adjusted.
Variance	178	Cladding	Variance due to the Bristol Estate (Phase 2) programme catching up with works that were delayed due to the adverse weather last year and working on Phase 3 which has brought forward costs.	There is no impact for residents. Delay caused by weather but this project is now back on target.
Variance	(84)	Communal Boilers	Due to the required works at Nettleton, Dudeney, Jubilee & Linfield coming in under budget savings have been made in the year.	There is no impact for residents. Funds will be reinvested in other parts of the programme.
Variance	173	Windows	The cost of works carried out in the high rise blocks in the North Whitehawk area have come in higher than the original budget estimates for 2013/14. However the projects are still within the overall resources and are within the Agreed Maximum Prices (AMPs).	There is no impact for residents. This has been covered by other underspends within the programme
Variance	190	Citywide Loft Conversions & Extensions Project	Due to a very high demand for extensions to help high priority families that were living in overcrowded homes, and also to facilitate the delivery of extensive adaptations to the dwellings during the works, which helped ease disruption and deliver a joined-up project, there was the requirement for some additional extension projects to be delivered. In addition, due to the extremely wet weather during the winter months, additional resources were required to undertake greater damp and drainage alleviation and management works than originally anticipated.	For 2014/15, much earlier involvement with other council departments has been agreed in order to better anticipate demand, including the need for large scale adaptations.
Variance	(279)	Major Voids	A lower than estimated amount of major voids work during 2013/14 due to refurbishments on empty properties being carried out on properties transferring to Seaside Homes and paid for through the HRA pre-release conversion budget.	There is no impact for residents. Funds will be reinvested in other parts of the programme.
Variance	(152)	ICT Fund	A lower than expected number of projects were	Funding is available in the

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			identified during 2013/14.	2014/15 budget allocation.
Variance	(402)	Partnership Establishment costs.	A reduction of partnership establishment costs in the capital programme is partly due to the reclassification of expenditure between revenue and capital of £0.172 million and less than estimated expenditure of £0.230 million as a result of reprofiling major projects works during the year.	
Variance	(353)	Estates Development Budget	A number of projects identified by the EDB board were not delivered within the financial year. This variance was added to an earmarked reserve rather than carried forward to next year.	A review of the process for the delivery of EDB projects is underway with the objective of speeding up delivery. These funds are ring-fenced and will be held to deliver the identified projects in future years.
Variance	17	Various projects	Net overspend of £0.018m relating to a number of schemes across the HRA capital programme under £0.050m.	

## Assistant Chief Executive - Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage/ reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
0	Corporate Policy Performance & Communities	10	0	0	(10)	0	0	0	0.0%
(0)	Royal Pavilion Arts & Museums	4,702	0	0	(172)	4,530	4,730	200	4.4%
(160)	Sports & Leisure	3,422	0	90	(37)	3,475	3,261	(214)	-6.2%
0	Tourism & Venues	0	0	0	0	0	0	0	0.0%
<b>(160)</b>	<b>Total Assistant Chief Executive</b>	<b>8,134</b>	<b>0</b>	<b>90</b>	<b>(219)</b>	<b>8,005</b>	<b>7,991</b>	<b>(14)</b>	<b>-0.2%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>Corporate Policy Performance &amp; Communities</b>				
Budget Reprofile	(10)	Interplan System	Minor reprofiling of budget for Interplan (£0.010m)	
<b>Royal Pavilion Arts &amp; Museums</b>				
Budget Reprofile	(172)	New Historical Records Office	A reprofile of budget into 2014/15 is required to reflect the slightly revised cash flow with ESCC.	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Variance	205	Royal Pavilion Estate	In the 2014/15 budget agreed by Members in February there was a paragraph about the development phase of the Royal Pavilion Estate's regeneration. The initial stage involved the Dome incurring expenditure in 2013/14 relating to the joint project which has already been funded by the Arts Council. This expenditure was transferred to the Council along with the funding (the Council is the Lead on the project with the Dome acting as the contractor for VAT reasons).	
Variance	(5)	Various	Other variances of (£0.005m) for various schemes under (£0.005m) each.	
<b>Sports &amp; Leisure</b>				
IFRS/Other Changes	90	Withdean Capital Scheme	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For Sports & Leisure there is a watershed for capitalisation between the feasibility stage and the development stage of a project. In the feasibility stage, an authority is considering possible strategies for addressing a service issue and options that might be implemented. In the development stage, the authority has an objective to acquire, construct or enhance a particular fixed asset. These are activities being undertaken to bring a particular asset into use. Until the development stage commences, expenditure would not normally be capitalised.	
Budget Reprofile	(37)	West Pier Arches fit-out	Reprofiling of budget to 2014/15 for West Pier Arches fit out (£0.037m).	
Variance	(160)	Withdean Athletics Track	Underspend due to the actual cost of the works being much less than the budget estimate provided by the consultant working on the project.	
Variance	(57)	Volks Railway Solar Project	The funding for the Volks Railway Solar Project was coming from the Coastal Communities Fund.	



## Appendix 4 – Capital Programme Performance

<b>Detail Type</b>	<b>£'000</b>	<b>Project</b>	<b>Description</b>	<b>Mitigation Strategy</b>
			Unfortunately the funding application was unsuccessful and so the project will not be progressing any further.	
Variance	3	Various	Net overspend from various schemes under £0.050m each.	All overspends have been funded from available revenue resources.

## Finance, Resources and Law - Capital Budget Summary

Forecast Variance Month 9 £'000	Service	2013/14 TBM 9 Budget £'000	Reported at other Committees £'000	IFRS / Other Changes £'000	Variation, Slippage/ reprofile £'000	2013/14 Budget Month 12 £'000	Provisional Outturn Month 12 £'000	Provisional Variance Month 12 £'000	Provisional Variance Month 12 %
(32)	City Services	2,111	273	0	(220)	2,164	2,146	(18)	-0.8%
0	HR Organisational Development	43	0	0	0	43	36	(7)	-16.3%
0	ICT	1,826	0	(286)	(758)	782	782	0	0.0%
0	Property & Design	5,535	41	(886)	(1,643)	3,047	2,995	(52)	-1.7%
0	Finance	27	0	0	0	27	28	1	3.8%
(32)	<b>Total Finance, Resources and Law</b>	<b>9,542</b>	<b>314</b>	<b>(1,172)</b>	<b>(2,621)</b>	<b>6,063</b>	<b>5,987</b>	<b>(76)</b>	<b>-1.2%</b>

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

Detail Type	£'000	Project	Description	Mitigation Strategy
<b>City Services</b>				
Reported at other Committees	273	CEM Parking	Previously agreed at P&R Committee 17/10/13 – implementation of the Customer Experience Management (CEM) system for Parking.	
Budget Slippage	(198)	CEM Parking	The budget was allocated to invest in a Parking Permit project over 6 months and kick off the rollout for the CEM system. A portion was based on an estimate to back-fill staff in ICT (and Communications). A further portion was for Application Programming Interfacing APIs to integrate to our Northgate	Judging the resourcing for this complex and new area was difficult and resulted in some delays. ICT are now recruiting staff for CEM projects in line with their wider resource planning for the website and CEM teams. The

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			systems. Advice from Procurement colleagues was to wait and buy them as part of the re-contracting bundle which is currently underway. This has added to the slippage but has saving £0.020m on the project cost.	Communications Team, are going through a restructure following a saving that needed to be made and staff will be backfilled once this is complete.
Budget Reprofile	(22)	Woodingdean Library	Reprofile of budget to 2014/15.	
Variance	(18)	Various	Net underspend from various schemes under (£0.050m) each.	
<b>HR Organisational Development</b>				
Variance	(7)	Human Resources System	Underspend of (£0.007m) on Human Resources System.	
<b>ICT</b>				
IFRS/Other Changes	(286)	Workstyles Phase 2 - ICT Resources	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For the Workstyles project some of the costs are of a day-to-day servicing nature and are not capital expenditure. It would be impracticable for an authority to assess every item of expenditure when it is incurred as to whether it has enhanced an asset. The practical situation is instead that at the year-end an assessment is made by programme managers and finance to make sure that expenditure is correctly classified as capital or revenue. The capital budgets are reduced by the same amount as the items that are subsequently charged to revenue.	
Budget Reprofile	(150)	Workstyles Phase 2 - ICT Resources	To support corporate ICT investment including Phase 3.	The ICT support for Workstyles Phase 2 is dependent on other ICT investment and infrastructure changes.
Budget Reprofile	(53)	Various	Reprofiling of budget for several schemes under £0.050m: Communications (£0.023m), ICT	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			Workstyles Planning (£0.023m), ICT Governance & Security (£0.007m).	
Budget Slippage	(53)	Information Management	Due to internal project delays with the implementation of new information systems.	
Budget Slippage	(65)	Internal Customer Access to Information	Slippage due to later than planned completion of the desktop migration project.	
Budget Slippage	(50)	ICT Compliance	This project commenced later than expected as a result of other projects taking priority.	
Budget Slippage	(387)	ICT Core Infrastructure	This project is linked to the Internal Customer Access to Information project above and the delays were due to the later than planned completion of the desktop migration project.	
<b>Property &amp; Design</b>				
Reported at other Committees	41	Hollingdean Depot Health & Safety	Reversal from TBM month 7 decision as work is being completed faster than anticipated earlier in the year.	
IFRS/Other Changes	(886)	Workstyles Phase 2 - Accommodation Strategy	Please see paragraph 3.19 (v) of the main report for a general explanation of IFRS changes. For the Workstyles project some of the costs are of a day-to-day servicing nature and are not capital expenditure. It would be impracticable for an authority to assess every item of expenditure when it is incurred as to whether it has enhanced an asset. The practical situation is instead that at the year-end an assessment is made by programme managers and finance to make sure that expenditure is correctly classified as capital or revenue. The capital budgets are reduced by the same amount as the items that are subsequently charged to revenue.	The profile of the original budget was dependent on a wide range of factors including decisions about accommodation units by services. The budget now needs reprofiling to reflect an updated payment profile
Budget Reprofile	(75)	Brighton Museum - replacement fire system	The fire alarm system covers both Brighton Museum and the Dome Complex. Funding is split between BHCC and the Brighton Dome Festival Trust. The	Agreement has been reached on the preferred contractor and a meeting is planned for early May

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			project has been tendered with several options and these have resulted in protracted discussions around specification and associated costs.	to agree the final split of costs and the works programme to be delivered this summer.
Budget Reprofile	(336)	Workstyles Phase 2 - Accommodation Strategy	Project Resources to support Phase 3 and Bartholomew House investment in phase 2.	
Budget Reprofile	(281)	Workstyles Phase 3 - ICT Costs	The Workstyles Phase 3 project is being implemented over 4 years with a total of £2.0m set aside for ICT investment. This phase commenced toward the end of the financial year whilst Phase 2 ran in parallel and is being finalised. The majority of the spend for ICT will commence in 2014/15 and will be required to be reprofiled into 2014/15.	The ICT support for Workstyles Phase 3 is dependent on ICT investment and infrastructure changes.
Budget Reprofile	(436)	Workstyles Phase 3 - Backscanning Equipment	The Workstyles Phase 3 project is being implemented over 4 years with a total of £1.5m set aside for back-scanning and /or EDRM investment. This phase commenced toward the end of the financial year whilst Phase 2 ran in parallel and is being finalised. The majority of the spend for EDRM will commence in 2014/15 and will be required to be reprofiled into 2014/15.	The back-scanning support for Workstyles Phase 3 is dependent on ICT investment, office moves and infrastructure changes.
Budget Reprofile	(106)	Workstyles Phase 3 - Project Resources	The Workstyles Phase 3 project is being implemented over 4 years with a total of £1.482m set aside for project resourcing. This phase commenced toward the end of the financial year whilst Phase 2 ran in parallel and is being finalised. The majority of the spend relates to support for implementing Phase 3 and retains a number of staff that worked on Phase 2 and will be required to be reprofiled into 2014/15.	The resourcing of Workstyles Phase 3 is dependent on Phase 2 completing with the majority of support being retained and a transition to Phase 3.
Budget Reprofile	(98)	Legionella Works	Major Works to irrigation systems were to be carried out at Stanmer Nurseries, in February/March but the start was delayed for operational reasons. The work	

## Appendix 4 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			will now be undertaken in 2014/15. Major works were also identified at Hove Town Hall relating to water pipes risers, water tanks and removal of the cooling tower, however, in the 2013/14 financial year, approval was given to the third phase of Workstyles which approved major building works at Hove Town Hall which would not be starting until January 2015. It therefore made sense for both projects to be combined to avoid disruption to the building users and get economy of scale on costs.	
Budget Reprofile	(54)	Solar Panel Implementation Plan	Budget to be reprofiled to support Workstyles Phase 3 and solar panels on Hove Town Hall.	
Budget Reprofile	(81)	Various	Budget reprofiling for several schemes under £0.050m: Corporate Fire Risk Assessments (£0.026m), Madeira Terrace Structural Repairs & Resurface (£0.017m), Replacement swipe card security system (£0.038m).	
Budget Slippage	(176)	Various	Budget slippage for several schemes under £0.050m: Brighton Town Hall - basement improvement (£0.038m), Preston Manor Extension Repair & Redecoration Phase 2 (£0.011m), Holy Trinity - external stonework enhancement (£0.039m), King Alfred - Landlords responsibility (£0.039m), Passenger Lift H&S Works (£0.011m), Mechanical Boiler Replacements (£0.038m).	
Variance	(52)	Various	Net underspend from several schemes all under (£0.050m) each.	

<b>New Capital Project Approval Request</b>				
<b>Service:</b>	Transport			
<b>Project title:</b>	Resident Parking Schemes			
<b>Total Project Cost (All Years)</b>	£600,000.			
<b>Purpose, benefits and risks:</b>				
<p>To provide capital budget in the 2014/15 financial year for potential parking schemes in accordance with the planned programme. As required, the capital budget is financed through revenue generated by each scheme. The parking scheme timetable agreed at Transport Committee in January 2013 outlined a programme of consultation in various areas across the city up to 2017.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Unsupported Borrowing	600	0	0	600
Total estimated costs and fees	600	0	0	600
<b>Financial implications:</b>				
<p>The creation of new and extensions to existing resident parking schemes in the 2014-15 financial year include the Preston Park Triangle (£250,000), Wish Road (£130,000), Lewes Road Triangle (£100,000), and others areas (120,000). Expenditure will include the costs of consultation, Traffic Regulation Orders, signing, lining and purchase and instalment of pay and display machines.</p> <p>The capital costs associated to the creation and extension of parking schemes are funded by unsupported borrowing, with appropriate repayments made over a seven year period funded from the revenue income generated. Total costs are dependent on public acceptance of some of the schemes following consultation. Any variation to budget will be reported to Committee as part of the TBM process.</p>				

**New Capital Project Approval Request**

<b>Service:</b>	City Regeneration
<b>Project title:</b>	Brighton Digital Exchange
<b>Total Project Cost (All Years):</b>	£0.686m

**Purpose, benefits and risks:**

As part of the City Deal the council is exploring the option to create the Brighton Digital Exchange (BDX) at New England House to provide businesses with cost effective access to high bandwidth connectivity. It would provide:

- Affordable, high bandwidth connectivity to the internet;
- Competitive local hosting that will allow flexible, on site development of new products and services;
- Connectivity to members of the London Internet Exchange (LINX) to allow peering with other CDIT companies in London and elsewhere in the UK.

The Super Connected Cities Plan was approved at Policy & Resources Committee on 21st March and confirmed that up to £3.307m funding has been awarded toward the project. Revenue funding has been set aside within the budget to support the development of the bid for the project. An outline business case has been prepared and presented to Broadband Development UK (Department of Culture, Media & Sport) to establish the viability of the proposed BDX and approve the £0.686m allocation from the SCC funding. The BDX will be located and run within New England House initially rent free with the intention that the operation will be reviewed annually and rent will be charged when it becomes economically viable.

**Capital expenditure profile (£'000):**

Year	2014/15	2015/16	2016/17	TOTAL
Grant	686			686
Total estimated costs and fees	686			686

**Financial implications:**

This is to be met from the funding from part of the Super Connected Cities project (£3.3m).



<b>New Capital Project Approval Request</b>				
<b>Unit:</b>	Adults Assessment			
<b>Project title:</b>	Telecare			
<b>Total Project Cost (All Years):</b>	£450,000			
<b>Purpose, benefits and risks:</b>				
<p>This project will support the continued growth in Telecare which is provided as a preventative service. It will continue to support more people living in the community supported by a range of Telecare devices such as falls sensors, lifeline equipment, GPS locators and environmental sensors (flood/fire/CO). An additional 350 people are expected to be supported each year.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Grant (Community Capacity Grant from Dept of Health)	225	225		450
Total estimated costs and fees	225	225		450
<b>Financial implications:</b>				
<p>The funding will be met from specific Department of Health capital grant funding. Telecare is more cost effective and less intrusive alternative to traditional homecare. The risks of not investing in technology are that this will increase costs of alternative care and increase admissions into residential care.</p>				

New Capital Project Approval Request				
<b>Unit:</b>	Public Health			
<b>Project title:</b>	Public Health England Drug & Alcohol Recovery Grant			
<b>Total Project Cost (All Years):</b>	£252,000			
<b>Purpose, benefits and risks:</b>				
<p>This project supports the Public Health England capital investment programme in drug and alcohol recovery services within the community. The funding awarded to Brighton &amp; Hove City Council is £0.252m split between 4 local service providers. The projects are supported by the local authority and all demonstrate that the funding will be used to encourage the growth and effectiveness of recovery-orientated drug or alcohol treatment and recovery support services.</p>				
<b>Capital expenditure profile (£'000):</b>				
Year	2014/15	2015/16	2016/17	TOTAL
Grant (please state)	252			252
Total estimated costs and fees	252			252
<b>Financial implications:</b>				
<p>The capital expenditure will be covered by the grant from Public Health England (received 31st March 2014). The bids were assessed and schemes agreed by Public Health England and grant agreements have been issued to the 4 successful providers to ensure that the PHE grant conditions are complied with.</p>				

<b>Subject:</b>	<b>Governance of Value for Money Phase 4</b>
<b>Date of Meeting:</b>	<b>12 June 2014</b>
<b>Report of:</b>	<b>Catherine Vaughan, Executive Director of Finance &amp; Resources</b>
<b>Contact Officer:</b>	<b>Nigel Manvell, Assistant Director – Finance Tel: 293104 Email: nigel.manvell@brighton-hove.gov.uk</b>
<b>Ward(s) affected:</b>	<b>All</b>

**FOR GENERAL RELEASE**

**1 PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The report sets out proposals for the next phase of the council's Value for Money approach, Phase 4, together with arrangements for effective governance of the programme. This is to ensure the aims of the programme are clear, and arrangements for oversight are robust and appropriate to the scale of the challenge.
- 1.2 The Value for Money programme is a key component of delivering the Council's Corporate Plan Priority of Modernising the Council. It is also a crucial building block for the council's budget planning for 2015/16 and its Medium Term Financial Strategy.

**2 RECOMMENDATIONS:**

- 2.1 That the committee note the scope and savings opportunities identified for phase 4 of the council's Value for Money programme.
- 2.2 That the committee approve the cross-party member oversight arrangements for the programme as set out in paragraph 3.18.
- 2.3 That the committee note the minimum one-off resources of £1.450m anticipated to be required to achieve success and the further work required to quantify additional resources for key enabling projects.
- 2.4 That together with £0.350m already approved for 2014/15, the committee agree:
- a) the early drawdown of the 2015/16 Modernisation Fund (£0.700m) to support the programme in 2014/15;
  - b) the set aside of £0.400m of the 2013/14 revenue budget underspend to support the programme in 2014/15, and;
  - c) to set aside the remaining £1.624m resources from 2013/14 to support the programme in 2015/16.
- 2.5 To agree additional recurrent investment of £0.300m in the council's procurement capacity as set out in paragraph 7.3 and appendix 1.

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

#### **Reviewing the current Value for Money Approach**

- 3.1 The council's current Value for Money (VfM) programme has been running for four years and as at the end of 2013/14 has achieved cumulative savings of approximately £56m, which has generated ongoing savings of approximately £24m per annum. A further £8.9m is planned in 2014/15 bringing annual savings up to circa £33m. The programme has targeted savings on specific services, where it has had most success, but it has also included more cross-cutting initiatives which have also achieved substantial savings.
- 3.2 The changing financial situation for local authorities and the significantly increased scale of the anticipated budget gap over coming years has led to a need to reconsider the current programme and the approach to VfM savings. The Medium Term Financial Strategy identifies a budget gap of £100m over a 4 to 5 year period. It is important to ensure that the contribution made to meeting that gap from VfM is maximised, while also ensuring clarity about the size of the remaining budget gap that will need to be filled through more fundamental service prioritisation, re-design and commissioning and de-commissioning decisions.
- 3.3 To help review the VfM position, the council engaged consultants EY to undertake a 6-week, fast-paced review of the current programme to help identify opportunities and define the scope of a next phase of the programme. EY were also asked to develop a high level business case indicating the range of expected financial benefits and the costs of implementing change, as well as provide advice on structuring the programme and its governance to assure success.
- 3.4 EY's view was that the council's VfM programme and approach, "has succeeded in establishing itself within the organisation and has consistently delivered savings whilst maintaining or improving service delivery. This provides the council with a good platform to continue the programme to deliver broader savings and also support the modernisation priority". EY consider that directorates should continue to be challenged to deliver savings within service areas, but that opportunities to achieve greater efficiencies across the whole council exist.
- 3.5 In conducting the review, EY looked at the council's comparative cost and performance profile, management and organisational structure and commissioning and delivery approaches. This information was used to explore potential opportunity areas through discussions with service management and Executive Leadership Team (ELT) and then followed up by EY to look at available case studies and good practice developed elsewhere.
- 3.6 EY also reviewed the governance and structure of the VfM approach which identified that a clearer, more consistently applied corporate governance structure would be required to take advantage of these opportunities over the medium term. There was also a view that the resources provided to support the VfM programme were small in scale by comparison with other large corporate change programmes, which may impact on the scale of efficiencies and savings achievable. The council has worked hard to reduce the costs of central services

and management overheads as part of its budget approach but there is now a risk that there is insufficient capacity to support major change programmes. Distinguishing between the costs of providing “business as usual” central services and management capacity as opposed to the costs of supporting major change needs a more sophisticated approach in future budget planning rounds. However it is important to be clear that additional investment in change must be backed by rigorous business cases, clear benefits tracking methodologies and the right political and managerial leadership to drive through the programme.

- 3.7 EY were also clear that VfM and Modernising the council go hand-in-hand. Their experience of working with many different types of organisations, including local government, shows that supporting and implementing different ways of working is important to being able to achieve the greatest savings and other benefits. EY describe these changes as ‘enablers’. The council’s Corporate Plan identifies key activities to support modernisation but the approach in future will be to ensure a much stronger link between the implementation and support for these ‘enablers’ and the next phase of the VfM programme.

#### **Phase 4 VfM Opportunities and Enablers**

- 3.8 Through an iterative approach to the exploration of opportunities with EY described above, the following programme of opportunities are considered to offer the greatest opportunities for efficiencies and savings while also supporting the modernisation of the council. EY recognised the importance of the Council’s support for major infrastructure projects in the Medium Term Financial Strategy because of links to increased council tax, business rates and the economic success of the city but concluded that this was best considered outside of the more internally focussed VfM and Modernisation agendas.
- 3.9 Their recommended areas of focus do not preclude the council from working on many other fronts to achieve savings and efficiencies but indicate those areas where investing additional resources and support could have the greatest return on investment. The VfM Phase 4 programme opportunities and ‘enablers’ are as follows:

VfM programme opportunities:

- Adult Social Care Modernisation
- Children’s Services VfM
- Income & debt management
- Third party spend
- Client Transport
- Cultural Services
- Workstyles

Corporate ‘enabling’ opportunities for Modernising the Council

- Digital Customer Experience (DiCE)
- People Plan & Culture Change
- Targeted ICT investment
- Business Process Improvement (BPI)
- Multi-agency integrated working

All of the above opportunities are explored in more detail in Appendix 1. The potential savings opportunities as defined in the high level business case prepared by EY and refined in subsequent weeks are given in low to high ranges which indicate potential financial benefits of between £8m to £14m per annum subject to further work to define the resources and savings possible through the above 'enablers'.

3.10 The success of each opportunity and enabler is likely to depend on a combination of the following factors:

- Effectiveness of the leadership and governance of the programme at all levels;
- Availability/funding of appropriate resources to support implementation;
- Demographic and other demand changes and trends;
- Impact of other initiatives and programmes e.g. Better Care Fund, Partnership working;
- Other factors e.g. legislative changes, welfare reform impact, impact of managing the budget gap i.e. other savings decisions.

These are key risks that are identified and will be managed proactively by ELT within the governance framework of the programme.

#### **Implementing the Phase 4 VfM Programme and Approach**

3.10 EY worked closely with the Executive Leadership Team (ELT) to review their findings and work through the possible opportunities and options for supporting the next phase of VfM to ensure success. In particular, ELT have reviewed officer governance arrangements to ensure that more time can be devoted by ELT to the collective management and oversight of the programme. A new senior officer structure has also been implemented within the Finance & Resources Directorate to better align support to the programme and make sure we are organised in the right way, with the right capacity to lead this and other linked changes.

3.11 ELT have also identified lead officers (SRO's) for each of the VfM opportunities together with project management support to help develop detailed project documents, business cases and project initiation plans. Finance and HR leads have also been assigned to each opportunity. Further consideration is being given to the appropriate resourcing for each opportunity as the business cases are developed and reviewed.

3.12 In setting up the arrangements for the next phase of the VfM programme and approach it is also recommended that a number of principles are adopted and rigorously adhered to in order to maximise the identified opportunities and ensure their achievement. These are described in more detail below:

<b>Theme</b>	<b>Principle</b>	<b>Rationale/Impact</b>
Decision-making	Members should have greater oversight of the programme on a cross-party basis.	Decisions can be made quicker with Members better sighted on delivery to inform decision-making.
Accountability	There should be clear lines of accountability for projects and the overall programme. Overall	The programme will have clearly defined governance and clear reporting lines, with managers being

Theme	Principle	Rationale/Impact
	accountability should sit with ELT.	personally responsible for successful delivery.
Programme discipline	The VfM projects should follow a programme discipline whereby projects will report into programme boards and links between projects are clearly identified and managed.	VfM projects will sit within an overarching VfM programme which will evaluate the projects, provide steer and escalate risks quickly for resolution.
Project delivery	Savings should be targeted in such a way that does not create double-counting over the 'claiming' of savings.	Responsibility for delivering each project will sit with the Senior Responsible Officer (SRO) in each Directorate with clear targets.
Attitude	The VfM programme should have credibility, sponsorship and visibility across the organisation through a clear commitment from senior leadership.	There will be no 'opt out' from staff or services and there will be a risk and performance management approach to resolving obstacles and roadblocks to maintain the pace of delivery.

### Resources and Savings

- 3.13 The potential resources for supporting the achievement of the programme and associated savings are set out in Appendix 1. This indicates that substantial resources are required if the programme is to be effectively mobilised, supported and driven at pace given the immediacy of the financial challenges facing the authority. The resources for supporting VfM opportunities and 'enablers' are discussed separately below.

#### Savings and Resources for VfM Opportunities:

- 3.14 In their high level business case EY recommended that a minimum resource investment of £2.4m would be needed to deliver savings of up to £11.4m. These resource assumptions and savings have been carefully scrutinised to maximise the use of existing resources and the current estimates indicate that circa £1.0m would be sufficient to mobilise and deliver the phase 4 VfM opportunities with likely savings of between £6.0m to £9.7m. However, of these resources, £0.3m for additional procurement capacity (across the corporate procurement and legal and audit teams) would need to be recurrent as this is about an ongoing higher level of work and support, not one-off interventions to make changes. This would be an ongoing commitment on the 2015/16 budget.

#### Savings and Resources for 'Enablers':

- 3.15 The resourcing and savings associated with 'enablers' needs more consideration as the detailed business cases are worked through. Ideally, the significant capital and revenue investments in Workstyles and ICT should work alongside the Digital Customer Experience (DiCE), Business Process Improvement (BPI), and People Plan & Culture Change enablers to achieve Modernisation. EY have suggested that organisations of this size attempting significant change on this scale would need to invest between £3m to £9m on these enablers depending on the scale of savings and efficiencies required. While there is already significant capital and revenue investment in Workstyles and ICT, there may therefore need

to be greater investment in the enablers if substantial savings are to be achieved from Modernisation. Currently, a minimum additional resource requirement of £0.5m has been identified but further work will be undertaken to look at the resources needed to achieve savings of between £2.0m to £4.0m per annum from Modernisation.

- 3.16 Savings in the range of £8.0m to £13.7m could therefore be achievable with the resources identified. All resources will need to be kept under review to ensure, as mentioned earlier, that we do not compromise the opportunity presented through failing to resource the programme sufficiently.

### **Programme Delivery**

- 3.17 To ensure the programme is properly supported and can maximise the identified opportunities we will need to finalise the detailed business cases for each area that flow from the overall high level business case to determine:

- Savings targets over the medium term;
- Resource requirements;
- Key milestones and timelines;
- Defined Benefits and Outcomes to be tracked and measured;
- Links and dependencies with other programmes;
- Risks and their mitigation.

- 3.18 The governance arrangements for the programme also need to be confirmed including Member engagement. To support the principles above and given the size and complexity of the programme and its importance to the organisation over the next 5 years, it is recommended that a cross-party group of Members have oversight of the programme and its delivery. Rather than create another board or panel and mindful of multiple demands on Member time, it is recommended that the current cross-party 'Budget Review Group' take a lead role in this oversight. However it is also proposed that alongside the particular finance expertise on that group there is broader membership from each party to ensure wider engagement and strong links to the other Corporate Plan priorities and service strategies.

- 3.19 It is recommended that this Extended Budget Review Group meets monthly, at least initially, possibly moving to bi-monthly meetings once the programme is established. The formal reporting line will be to Policy & Resources Committee through the Targeted Budget Management (TBM) reporting framework but a detailed update on the programme will be brought to the December meeting of this committee alongside the latest budget planning information for 2015/16. This report and that proposed for December will also be provided to the Audit & Standards Committee for information as they have an important role to play in ensuring the adequacy of the council's arrangements to secure economy, efficiency and effectiveness in the use of resources.

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

- 4.1 The council's VfM approach has made good progress to date but there is a need to build upon its success and generally increase momentum. Some service areas, in particular Children's Services have met and exceeded their VfM targets. One option, therefore, could be to continue with a service focus to further exploit



this approach, however, this would not on its own meet the scale of the financial challenge, particularly as savings are becoming increasingly challenging to achieve in these areas.

- 4.2 The preferred approach is therefore to continue with the services generating the greatest VfM savings but to also exploit opportunities that cut across services including the potential for greater partnership working. It is hoped that the inclusion of the identified 'enablers' will provide the infrastructure to support delivery of the savings.

## **5 COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 None specifically in relation to this report.

## **6 CONCLUSION**

- 6.1 The VfM opportunities and enablers identified for the phase 4 VfM programme will provide significant savings to help the council manage future budget gaps. These savings will principally be through efficiencies, better demand management, growing income, or achieving more cost effective outcomes (e.g. Early Help strategies). However, potential savings of between £8m to £14m will not close the projected budget gaps of £20m to £25m per annum over the next 5 years. The programme can therefore only complement other decisions and activity to help close the gap.
- 6.2 A governance structure with cross-party Member representation will provide robust oversight of this significant programme of work. Together with more focused leadership from ELT and clear lines of accountability for delivery, it signals the importance of the programme and supports transparency of decision making.

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

### Financial Implications:

- 7.1 Savings and resource projections are set out in the body of the report as far as possible but there are still some questions to be answered once detailed business cases have been finalised. Appendix 1 sets out the known and estimated resource requirements to deliver the phase 4 VfM programme. Some of this investment will be recoverable through return on investment while some will need to be covered from the Modernisation Fund. In some areas, such as Adult Social Care and Children's Services, resources will be provided from core budgets, previously approved funds, or new funding sources (e.g. Better Care Fund). Some areas, for example ICT and Workstyles, include some capital funding and financing requirements which have been approved elsewhere. Currently, £1.450m additional resources are estimated to be required in 2014/15.
- 7.2 To fund the programme, the 2014/15 budget included an additional £0.350m for the Modernisation Fund for 2014/15 together with £0.700m for 2015/16. The resource requirement identified in the report, £1.450m, would therefore require early drawdown of the 2015/16 Modernisation Fund together with a contribution of approximately £0.400m from the 2013/14 revenue budget underspend reported elsewhere on the agenda.

- 7.3 Resourcing the programme in future will need to be considered in budget planning rounds. As mentioned in the report, additional investment in procurement capacity of £0.300m will be funded from one-off resources in 2014/15 but would need to be ongoing and needs to be built into the council's 2015/16 budget planning as a recurrent commitment. Further one-off resources are likely to be required to continue to support delivery of the phase 4 programme in 2015/16 and the remaining resources of £1.624m available from 2013/14 outturn could be set aside for this purpose.
- 7.4 The report identifies potential savings opportunities in the range of £8.0m to £13.7m per annum subject to further analysis of the potential savings relating to Modernisation 'enablers'. As mentioned, this will not fully address projected budget gaps of £20m to £25m per annum over the next 4 to 5 years.
- 7.5 The 2014/15 budget includes VfM savings targets of £8.9m as shown in Appendix 1. These will need to be delivered as the VfM programme transitions from phase 3 into phase 4 during 2014/15. The primary focus of phase 4 will therefore be on achieving savings from 2015/16 and beyond.

*Finance Officer Consulted: Nigel Manvell*

*Date: 23/05/14*

Legal Implications:

- 7.6 Policy & Resources Committee is the appropriate decision-making body for the resolutions recommended in this report, given the sums involved and the strategic importance of the Value for Money programme to the council.

*Lawyer Consulted:*

*Oliver Dixon*

*Date: 23/05/14*

Equalities Implications:

- 7.7 The principle thrust of value for money is to improve either economy, effectiveness or efficiency of services or a combination of these. The value for money approach can therefore help in tackling inequality by enabling services to provide more for less money or maintain important services and outcomes with less money. Alternatively, services can be provided in a different way to achieve the same outcomes at a lower cost.

Sustainability Implications:

- 7.8 There are many areas of the Value for Money Phase 4 programme that will not only contribute to financial sustainability and resilience but will also reduce carbon emissions (e.g. Workstyles, Client Transport, ICT investment) and paper and printing volumes (e.g. DiCE and BPI).

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Value for Money Phase 4 Opportunities and 'Enablers'



**Value for Money Phase 4 Opportunities and ‘Enablers’**

VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
<b>Adult Social Care Modernisation Programme</b>				
<p>This is a large service and budget area where there is considerable change emanating from the Care Bill and the Better Care Fund initiative.</p> <p>The Better Care Fund plan and associated ‘frailty pilots’ have the potential to help manage demand and reduce care costs while improving outcomes. Conversely, the Care Bill introduces major changes that could have a major impact on demand if not managed effectively.</p> <p>This VfM area will therefore be linked to the wider modernisation of Adult Social Care. This will look at how the service is organised and integrated with health but there will also be a strong emphasis on commissioning and procurement of community care services.</p>	<ul style="list-style-type: none"> <li>• Reductions in emergency admissions to hospital and delayed transfers of care.</li> <li>• Increase in the proportion of our most frail patients with an appropriate integrated care plan in place.</li> <li>• Earlier identification and diagnosis of a range of health conditions including dementia.</li> <li>• Reduction in the number of residential and long term placements.</li> <li>• Provision of a streamlined and consistently responsive 24x7 service.</li> <li>• Reduction in the cost of care placements and acute care costs.</li> </ul>	<p>£3.2m</p>	<p>£0.9m to £1.5m</p>	<p>£0.5m one-off resources provided in 2014/15 budget for ASC Modernisation.</p> <p>Better Care Fund includes circa £1.0m in 2014/15 for implementation of the plan.</p>
<b>Children’s Services VfM</b>				
<p>This is also a large service and budget area and VfM phase 4 will continue to build on the work to date to manage</p>	<ul style="list-style-type: none"> <li>• Reduced care costs and care placements through Early Help interventions.</li> </ul>	<p>£2.5m</p>	<p>£1.4m to £2.0m</p>	<p>Project management support and specialist support is expected to funded from existing Children’s</p>

VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
demand through improved prevention and collaboration across agencies but with more explicit links to the Early Help Strategy and the multi-agency safeguarding approach (MASH). The programme will also review special educational needs and disability services.	<ul style="list-style-type: none"> <li>• Improved care planning and data sharing protocols across agencies.</li> <li>• Improved workforce programme including identifying skills gaps for early help services.</li> <li>• Improved response to safeguarding concerns through MASH development.</li> <li>• Improved commissioning and outcomes for Special Education Needs (SEN)/Disability services.</li> </ul>			Services and Stronger Families, Stronger Communities funding.
<b>Third Party Spend</b>				
<p>The council spends very substantial sums with third party suppliers and providers. An opportunity has been identified to further increase value for money from third party suppliers through the following approaches:</p> <ul style="list-style-type: none"> <li>• Contract Optimisation – i.e. ensuring contracts are managed well and that the council receives and pays for what it has contracted;</li> <li>• Category Management – for larger areas, ensuring that suppliers are</li> </ul>	<ul style="list-style-type: none"> <li>• Overall reduction of circa 3% in the cost of buying goods and services.</li> <li>• Reduction in duplication, waste and 'off-framework' spend and better co-ordination of multi-functional purchasing projects.</li> <li>• Longer-term, greater control over procurement / suppliers leading to better</li> </ul>	£2.3m	£1.8m to £2.9m	Approx £0.300m including Category Management specialists, additional contract management and contract auditor capacity and contract lawyer support. This support is considered to be a recurrent requirement and would need to be considered in future budget planning.

VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
<p>managed holistically across the council rather than by individual services who may not be aware of poor performance elsewhere or other similar contracts provided by the same supplier within the council;</p> <ul style="list-style-type: none"> <li>Commercial Excellence – ensuring that procurement processes are support by appropriate commercial expertise and developing this more widely.</li> </ul>	<p>market shaping.</p> <ul style="list-style-type: none"> <li>Reduced risk of fraud and/or non-performance of contracts.</li> <li>Improved compliance with Contract Standing Orders and procurement regulations.</li> <li>Improved links with commissioning strategies.</li> <li>Improved procurement and contract management skills and optimal use made of those.</li> </ul>			
<b>Income &amp; Debt Management</b>				
<p>Delivering long-term financial benefits through different approaches to managing income and collection as follows:</p> <ul style="list-style-type: none"> <li>Income Optimisation – pursuing opportunities to grow income e.g. business rates, fees and charges, etc.</li> <li>Debt Collection – improving income collection wherever possible, in particular, through financial inclusion initiatives to help people avoid getting into arrears in the first</li> </ul>	<ul style="list-style-type: none"> <li>Increased income (circa 1% per annum) as a proportion of the council's gross expenditure.</li> <li>Improved 'ultimate' collection rates across all income areas including reduced debt write off and bad debt provisions across all areas.</li> <li>Reduced cost of collection and recovery across all areas.</li> </ul>	£1.1m	£1.3m to £2.5m	Approx. £0.2m including an external Financial Inclusion 'Health Check', fraud expertise and Business Process Improvement support.

VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
instance; <ul style="list-style-type: none"> <li>Fraud reduction – looking at potential approaches to fraud risk to identify areas where targeted intervention may produce financial benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Greater Financial Inclusion for personal debtors evidenced through reduced arrears cases.</li> <li>Improved customer satisfaction through better process design and improved customer journeys and access to information.</li> <li>Improved mapping and understanding of potential fraud risks.</li> <li>Increased detection rates for fraud and corruption.</li> </ul>			
<b>Client Transport and Fleet</b>				
The aim is to develop a holistic approach to client transport including effective management of demand and improved organisation, deployment and procurement of fleet.	<ul style="list-style-type: none"> <li>Improved commissioning and planning of client transport operations leading to improved demand management.</li> <li>Reduction in the cost of fleet procurement and management.</li> </ul>	£0.3m	£0.2m to £0.4m	Approx. £0.1m (to be confirmed)
<b>Cultural Services</b>				
Cultural services are vital to the City and are of significant public and Member interest. There could be opportunities to	<ul style="list-style-type: none"> <li>Help to protect the City's nationally and internationally significant</li> </ul>	£nil	Not quantified at this stage – subject to	To be confirmed



VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
<p>deliver services differently to reduce costs while maintaining or improving service quality including the work underway on the future model for the Royal Pavilion and Museums and associated lottery fund bid. This area will also look at options for community hubs and how and where they could be operated.</p>	<p>cultural heritage assets by ensuring the resilience and viability of services.</p> <ul style="list-style-type: none"> <li>• Boost the Royal Pavilion estate's capacity to deliver BHCC's Economic, Tourism and Cultural Strategies, securing the impact and contribution of the sector on the local economy.</li> <li>• Improve access to council services at low cost.</li> </ul>		detailed business case	
<b>Workstyles</b>				
<p>Continuation of the approach to Workstyles which supports greater opportunities for flexible working while also ensuring the council can maximise the value for money of its office accommodation and reduce footprint and accommodation costs where possible.</p>	<ul style="list-style-type: none"> <li>• Reduction in the council's office accommodation footprint.</li> <li>• Reduced carbon emissions.</li> <li>• Improved flexible working choices contributing to staff welfare and business process changes.</li> <li>• Facilitates improved partnership working.</li> </ul>	£0.1m	£0.4m Also see paragraph 3.14.	Resources are provided for in each phase of the Workstyles business cases.
<b>Digital Customer Experience (DiCE)</b>				
<p>Building on the existing Digital Customer Experience (DiCE) programme with</p>	<ul style="list-style-type: none"> <li>• Increased opportunities for shared delivery with</li> </ul>	£nil	Not quantified at this stage –	£0.3m in 2014/15 provided from existing Modernisation Funds.

VfM Phase 4 Opportunity High Level Business Case	High Level Benefits	Savings in 2014/15 Budget	Potential Savings Opportunity per annum from 2015/16 (range)	Estimated Investment Required (Resources)
<p>further targeted investment to accelerate this initiative and bring more services on-line within a shorter timeframe.</p>	<p>partners.</p> <ul style="list-style-type: none"> <li>• Enhanced proactive services available to vulnerable households.</li> <li>• Providing 'Assisted Digital' services to ensure that those who lack the skills, confidence or access to the internet are not disadvantaged in accessing services.</li> <li>• Improved customer satisfaction through quicker turnaround times, reduced failures and improved information.</li> <li>• Overall reduced costs of supporting customer access through a 'channel shift' to digital services.</li> </ul>		<p>subject to detailed business case. Also see paragraph 3.14.</p>	<p>Further resources likely to be identified in the detailed business case in order to accelerate the project.</p>

VfM Phase 4 'Enablers'- Rationale	Benefits	Investment Required (Resources)	Potential Savings
<b>People Plan &amp; Culture Change</b>			
<p>Modernising the council must be supported by a relevant and appropriately trained and developed workforce. The People Plan will focus on embedding the council's values and supporting cultural change through the Living Our Values development programme. There will be 4 key workstreams:</p> <ul style="list-style-type: none"> <li>• Job families</li> <li>• Workforce Planning</li> <li>• Talent Management</li> <li>• Culture Change and Performance Improvement (CCPI)</li> </ul>	<ul style="list-style-type: none"> <li>• Job Families is about implementing a job structure that: <ul style="list-style-type: none"> <li>○ develops a clearer organisational structure and career pathways;</li> <li>○ supports workforce planning and analysis;</li> <li>○ rewards by what is known not what is managed, and;</li> <li>○ integrates organisational competencies.</li> </ul> </li> <li>• Workforce Planning will mean producing organisational tools to develop good links to business planning, to gather and analyse workforce intelligence and information and to identify opportunities through integrated working. A pilot will be conducted.</li> <li>• Talent Management will mean producing a talent / resource management toolkit that enables managers to: <ul style="list-style-type: none"> <li>○ recruit, retain and deploy our workforce;</li> <li>○ ensure staff have the right skills to do their jobs;</li> <li>○ manage performance effectively, and;</li> <li>○ maximise opportunities for</li> </ul> </li> </ul>	<p>Approx. £0.3m. Every effort will be made to utilise current HR &amp; OD and other support service resources.</p>	<p>See paragraph 3.14</p>

VfM Phase 4 'Enablers'- Rationale	Benefits	Investment Required (Resources)	Potential Savings
	<p>integrated working.</p> <ul style="list-style-type: none"> <li>The CCPI approach is designed to improve performance management across the organisation through targeted organisational development e.g. the Living our Values development programme.</li> </ul>		
<b>Targeted ICT Investment</b>			
<p>A service-led and requirements-based approach to ICT investment should reduce the cost of service provision, create a clearer investment case and improve the council's operations and customer experience.</p> <p>The purpose of the Targeted ICT Investment workstream is to deliver the 'Control' section of the council's ICT Strategy. This includes the alignment of ICT operating principles and organisational design principles, the design and implementation of a new financial model and the continual improvement of ICT governance.</p>	<ul style="list-style-type: none"> <li>Improved governance and control over ICT investment across the council.</li> <li>Improved business decisions and service design leading to improved customer service.</li> <li>Maximising the use of ICT Investment Plan resources and investments.</li> </ul>	<p>£6m capital and £1m revenue funding provided within the ICT Investment Plan approved by Council.</p> <p>This VfM project will identify and prioritise further ICT investment requirements.</p>	<p>See paragraph 3.14</p>
<b>Business Process Improvement (BPI)</b>			
<p>Many of the changes arising from DiCE, Workstyles, ICT investment and other changes will need processes to be reviewed and re-engineered to make the most of these investments. There will also be many areas where service redesign will be required to improve value for money and BPI can be used to help implement this. BPI's primary focus is on improving processes and services from the customer's perspective.</p>	<ul style="list-style-type: none"> <li>Where BPI support is prioritised, to identify opportunities for cashable and non-cashable savings through reduced processing costs and improved 'customer journeys'.</li> <li>Generally, to increase awareness and use of BPI methodology across all services through provision of corporate toolkits and advice.</li> <li>Improved approach to continuous improvement from a customer perspective.</li> </ul>	<p>£0.2m BPI resources. Currently provided with existing Modernisation Funds until March 2015. BPI resources may be up-scaled subject to demands and inter-dependencies with other programmes (e.g. DiCE).</p>	<p>See paragraph 3.14</p>

VfM Phase 4 'Enablers'- Rationale	Benefits	Investment Required (Resources)	Potential Savings
<b>Integrated Multi-agency Working</b>			
<p>Partnership working is complex and can present a number of challenges. The purpose of this task and finish project is to develop the infrastructure to enable the organisation to more effectively plan and implement partnership projects to deliver integrated services.</p>	<ul style="list-style-type: none"> <li>• Generate solutions to problems that single agencies cannot solve;</li> <li>• Improve the services that users receive from multi-agency services;</li> <li>• Enhance the co-ordination of services across organisational boundaries, and;</li> <li>• Deliver efficiencies through economies of scale and the removal of duplication and overlap.</li> </ul>	<p>At this stage, anticipated to be deliverable within existing resources.</p>	<p>See paragraph 3.14</p>



<b>Subject:</b>	<b>Charging options in relation to Sunday parking</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director for Environment, Development &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Austen Hunter</b>	<b>Tel: 29-2245</b>
	<b>Email:</b>	<b>austen.hunter@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

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

- 1.1 At Full Council on 27<sup>th</sup> March 2014 a petition was presented *“to introduce free Sunday car parking and on street parking across Brighton & Hove.”*
- 1.2 An amendment was tabled *“that the petition is referred to the Policy & Resources Committee for consideration accompanied by a full Officer report on the proposal, including an estimate of the costs of partial or full implementation of free Sunday parking and an impartial assessment of the advantages and disadvantages.”*
- 1.3 The Committee is asked to consider three options for parking charges:
  - 1) Citywide free parking on Sundays
  - 2) Partial free parking on Sundays
  - 3) Refer alternative suggestions for parking charges to the annual review at the end of the year for consideration

**2. RECOMMENDATIONS:**

- 2.1 That the Committee decides to refer alternative suggestions for parking charges to the annual review at the end of the year for consideration (option 3).

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 Parking controls are an integral part of the city’s Transport Strategy to meet the authority’s duty under the Traffic Management Act 2004 of *securing the expeditious movement of traffic on the authority’s road network*. It supports efforts to encourage sustainable transport choices, improve road safety and prioritisation of accessibility for groups with specific needs, such as residents, disabled people, businesses or those who need to load and unload. Proper and effective parking and traffic management is essential to support sustainable growth in our city.
- 3.2 In general, parking charges can benefit businesses by encouraging turnover of spaces, which helps to increase footfall and spend. Charging can also help to reduce congestion making it easier for people to access businesses and reduce pollution, making the city a more attractive place.

- 3.3 In some parts of the city, the pressure on parking is as high, if not higher, on a Sunday compared to other times during the week. For example, the Lanes Car Park regularly reaches capacity on a Sunday because it is at the heart of the tourist and shopping area.
- 3.4 The charging system helps to relieve pressure on parking. The risks of free parking are that it would encourage more private vehicle use, creating additional congestion and air quality issues. This could make the city a less attractive place to visit and impact the economy.
- 3.5 A Report for COST Technical Committee on Transport, Action 342 "*Parking Policies and the Effects on Economy and Mobility*", has shown that parking charges can help to prevent long-term (commuter) parking and encourage the turnover of parking space making cities more accessible to visitors and helping to increase retail footfall.
- 3.6 The report to Environment Cabinet Member Meeting, "*Hanover & Elm Grove Resident Parking Scheme Review Community Consultation*" on 16<sup>th</sup> September 2010 details consultation with residents which showed that in some areas a majority have been in favour of Sunday controls due to problems experienced when previously there were none. As most on-street bays are shared use between visitors and residents, introducing free parking is likely to make it harder for residents to gain access. A reversal of this decision would necessitate a new consultation with residents.
- 3.7 Residents and visitors would be able to save on the cost of parking that would otherwise be required on a Sunday.
- 3.8 Free parking would benefit long term parkers, for example, commuters.
- 3.9 There would be a marketing benefit for the city to promote lower cost access, which could attract additional visitors.
- 3.10 Whilst there could be a marginal saving on the cost of parking enforcement and cash collection, overall it is not anticipated that there would be any other cost savings in relation to security, maintenance and overheads, without foregoing our accreditation for "Park Mark" (safer parking).
- 3.11 At the Environment, Transport and Sustainability Committee on 4<sup>th</sup> March 2014, a six-month trial of free parking at weekends for hotel guests at Norton Road Car Park in Hove was agreed and is now in progress. The results of this trial will be reported back to the Environment, Transport and Sustainability Committee.

### **Option 1 – Citywide free parking on Sundays**

- 3.12 This option reflects the proposal made in the petition presented to Full Council and includes both on and off-street car parking.
- 3.13 The traffic management risks associated with this approach are outlined above and for those reasons this option is not recommended.



- 3.14 The reduction of Pay & Display and Pay by Phone income for this option is estimated to be approximately £1.8 million per annum.
- 3.15 It is likely that residents and car park season ticket holders would request a refund for Sundays. The cost of this is estimated at £0.4m.
- 3.16 The reduction of visitor permit income is estimated at £0.2 million per annum.
- 3.17 The reduction of penalty charge income is estimated at £0.2 million per annum.
- 3.18 The cost of changing signs across the city is estimated at £1 million.
- 3.19 The cost of consulting residents and advertising changes to the Traffic Regulation Order is estimated at £0.035 million.

<b>Financial impact of Option 1 (estimate)</b>	<b>£million</b>
<b>Ongoing costs per annum</b>	
Pay & Display / Pay by Phone income	1.8
Resident permit and car park season ticket income	0.4
Visitor permit income	0.2
Penalty Charge income	0.2
<b>Total ongoing costs per annum</b>	<b>2.6</b>
<b>One-off costs</b>	
Changes to signs citywide	1
Consultation and advertising Traffic Regulation Order	0.035
<b>Total one-off costs</b>	<b>1.035</b>

### **Option 2 - Partial free parking on Sundays (Free Off-Street Parking only)**

- 3.20 Below is summary of the estimated utilisation in car parks operated by the council.\*

<b>Car Park</b>	<b>No. Spaces</b>	<b>Sunday Utilisation</b>		<b>Saturday Utilisation</b>		<b>Avg Weekday Utilisation</b>	
		<b>Apr - Sep</b>	<b>Oct - Mar</b>	<b>Apr - Sep</b>	<b>Oct - Mar</b>	<b>Apr - Sep</b>	<b>Oct - Mar</b>
The Lanes	355	82%	70%	98%	86%	58%	52%
London Road	528	29%	29%	61%	69%	52%**	53%**
Regency Square	507	48%	34%	55%	55%	25%	22%
Trafalgar Street	275	80%	87%	90%	98%	91%	91%
Black Rock	58	52%	12%	39%	9%	25%	6%
Carlton Hill	52	86%	45%	65%	76%	92%	94%
Haddington Street	33	56%	56%	61%	61%	55%	55%
High Street	81	30%	23%	69%	50%	31%	23%
King Alfred	120	89%	65%	97%	67%	44%	50%
Norton Road	290	17%	8%	27%	22%	59%	53%

Oxford Court Rottingdean Marine	36	25%	32%	57%	74%	53%	57%
Rottingdean West St	100	36%	26%	22%	22%	26%	11%
	65	78%	72%	78%	77%	76%	57%

\* All data covers the core usage period in the car parks between 9am and 6pm.

\*\* On weekdays, there can be up to 200 annual ticket holders at London Road car park, which impacts on available space for daily parkers.

- 3.21 It is highly likely that free parking will displace parking from charged bays to free sites. The annual impact of this shift, in addition to the direct loss of income from the car parks on Sundays, is estimated below.

Car Park	No. Spaces	Sunday income (est.)	Displacement from charged on-street bays (est.)	Total impact
The Lanes	355	£275,248	£11,256	£286,504
London Road	528	£49,754	£5,681	£55,435
Regency Square	507	£180,410	£11,256	£191,666
Trafalgar Street	275	£128,851	£5,681	£134,532
Black Rock	58	£4,800	£2,289	£7,089
Carlton Hill	52	£23,202	£5,137	£28,339
Haddington Street	33	£7,251	£5,758	£13,009
High Street	81	£12,296	£4,894	£17,190
King Alfred	120	£43,366	£3,928	£47,294
Norton Road	290	£9,146	£7,262	£16,408
Oxford Court	36	£5,614	£500	£6,114
Rottingdean Marine	100	£4,039	£55	£4,094
Rottingdean West St	65	£6,349	£55	£6,404
<b>Total</b>				<b>£814,078</b>

- 3.22 In line with the amendment, as presented at Full Council, this option includes an extension of the lower rate winter season to 6 months from 1<sup>st</sup> October – 31<sup>st</sup> March.

- 3.23 The financial impact of extending the winter season is estimated at £90,000.

<b>Financial impact of Option 2 (estimate)</b>	<b>£million</b>
<b>Ongoing costs per annum</b>	
Pay & Display / Pay by Phone income	0.81
Season ticket reductions	0.04
Extension of winter season	0.09
<b>Total ongoing costs per annum</b>	<b>0.94</b>
<b>One-off costs</b>	
Changes to signs	0.015
Consultation and advertising Traffic Regulation Order	0.005
<b>Total one-off costs</b>	<b>0.02</b>

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

##### **Option 3 – Refer alternative suggestions for parking charges to the annual review at the end of the year for consideration**

- 4.1 Free parking is likely to increase private vehicle usage and as a result be detrimental to accessibility, the local economy and the environment.
- 4.2 Sunday is often busier than other days during the week for many parts of the city.
- 4.3 For these reasons, it is not recommended that new free parking be introduced on Sundays but that alternative suggestions for parking charges are referred to the annual review of charges that is carried out after the summer. This could include options for promotional rates at Norton Road Car Park, London Road Car Park and Oxford Court Car Park where demand is low on a Sunday.

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

- 5.1 Before parking controls are introduced, there is always a full consultation with local residents and measures are only introduced where a majority are in favour. For example, 53% of those who responded to the consultation in Queens Park (Area C) were in favour of extending the days of operation to include Sundays. The Queens Park Ward Councillors also wrote to officers to support the days of operation including Sundays and the local Hoteliers and Guest House Association who were finding that unregulated parking on Sundays made it difficult for guests to park also expressed support.
- 5.2 The proposals were debated at Full Council and the views expressed by nine ward councillors taken into account.
- 5.3 A letter has been received from the City Sustainability Partnership (see appendix 1) and e-mails from the Transport Partnership expressing concern over the proposals to introduce free parking citing:
  - Likely impact on carbon emissions
  - Likely impact on air quality and how it fits with the Air Quality Action Plan
  - Possible impact on active travel (walking and cycling)
  - Direct financial cost to public purse
  - Potential loss of income for the bus company
  - Vulnerability of Sunday bus services to any loss of revenue, particularly if it leads to pressure for more Council supported services and the cost of this if it were to happen

## **6. CONCLUSION**

- 6.1 The risks associated with removing parking charges are increased private vehicle journeys, increased congestion, a negative impact on the economy and the environment in the form of air pollution.
- 6.2 The nature of Brighton & Hove as a major tourist and shopping destination attracting high volumes of visitors at weekends means that the pressure on parking space is often higher at the weekend than it is during the week.
- 6.3 For these reasons it is not recommended to introduce citywide or partial free parking on Sundays.
- 6.4 Instead of free parking, reduced rates or alternative use of space might be considered in areas of low demand. For example, at Norton Road Car Park in Hove; London Road Car Park and Oxford Court Car Park in the London Road area.
- 6.5 It is recommended that alternative suggestions for parking charges are referred to the annual review of charges that is carried out after the summer.

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

### Financial Implications:

- 7.1 The estimated loss of parking income of options 1 and 2 has been based on the best information available and has taken account of current levels of activity, known seasonal variations and likely responses to price changes. Parking activity is difficult to forecast with any accuracy due to a range of factors that can impact on usage and therefore it is possible that the impact of either option could be different to the estimates presented.

Options one and two would represent a significant reduction in income to the council and are therefore outside of the budget and financial framework approved at Full Council on 5th March 2014. For these proposals to be progressed they would need Full Council approval identifying how the loss of income would be funded.

### Option 1

The estimated annual loss of Pay & Display and Pay by Phone income of option 1 is estimated to be between £1.7m and £1.8m.

Annual loss of income from resident permits and car park season tickets is estimated at £0.4m.

Annual loss of income from visitor permits is estimated at £0.2m.

It is also estimated that the annual loss from less penalty charges notices (PCN's) being issued will be approximately £0.2m.

There will also be one-off costs including consultations, advertising and making of Traffic Regulation Orders (TRO's) (if necessary), changes to signage and

programming of on-street machines. The total one-off costs are expected to be in excess of £1.0m.

### **Option 2**

The estimated loss in income of option 2 is estimated to be between £0.9m and £1.0m.

Assumptions have been made for likely loss of income from displacement from charged on-street bays based on the Small Business Saturday parking tariffs adjusted for likely seasonal variations. There will also be one-off costs including change to signage, changes to tariff cards and programming of off-street machines. The total one-off costs are expected to be in approximately £20,000.

The estimated costs do not make any allowance for the cost of any potential challenge to, or losses arising from, these options by other either parties who may see them as detrimental to their business.

Both options would also see some reductions in costs including maintenance, enforcement and cash collections. The reduction in costs are difficult to quantify, but are considered to be minimal in comparison to the potential loss of income.

For options 1 and 2 to be considered for future years, they would need to be included in future budget setting processes as this would create a recurring pressure within the Transport service. Funding of one-off costs would also have to be identified.

*Finance Officer Consulted: Steven Bedford*

*Date: 09/05/14*

### **Legal Implications:**

- 7.2 Under sections 32 and 35 of the Road Traffic Regulation Act 1984 (“the Act”), there is power to the Council to provide off-street parking places and regulate their use for the purpose of relieving or preventing congestion. Section 45 of the Act allows Councils to designate parking places on the highway and to charge for their use.
- 7.3 Under section 55 of the Act, as amended by the Traffic Management Act 2004, the Council must keep an account of all parking income and expenditure in designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area, and of their income and expenditure related to their functions as an enforcement authority. Income received can only be used for the purposes set out in s55, for example highway or environmental improvements: the Council cannot use its powers to charge local residents for parking in order to raise surplus revenue for other transport purposes.
- 7.4 The Council has power under the Road Traffic Regulation Act 1984 to vary the charges payable at off-street car parks and on street parking places by way of a notice. Procedural regulations set out the process that must be followed. A notice must be published in a newspaper circulating in the area and displayed in the affected car parks at least 21 days before the changes take effect.
- 7.5 It is not considered that any adverse human rights implications arise from this report

Equalities Implications:

- 7.6 A consistent approach to parking management helps to promote equal opportunities and to regulate better access to spaces.
- 7.7 Re-investing income in sustainable transport will benefit those without access to a car.

Sustainability Implications:

- 7.8 The proposed changes to charges will be taken into account in the decisions people take when travelling into the city. Any changes in the levels of car traffic that result will impact the city's environment and people's health.
- 7.9 The parking surplus has been used to provide free bus passes for the elderly and disabled to help reduce congestion and carbon emissions. A number of bus routes are subsidised through the parking surplus to provide alternatives to travelling to the city centre by car.

Any Other Significant Implications:

None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Letter from the City Sustainability Partnership

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

None.

### **Background Documents**

1. *Parking Policies and the Effects on Economy and Mobility*, Report for COST Technical Committee on Transport, Action 342
2. 4.17 Report to Environment Cabinet Member Meeting, Hanover & Elm Grove Resident Parking Scheme Review Community Consultation, 16<sup>th</sup> September 2010
3. Report to Environment, Transport and Sustainability Committee, 4<sup>th</sup> March 2014: Norton Road Car Park ~ Sunday Tariff





## Brighton & Hove City Sustainability Partnership

c/o 139 Hollingdean Terrace

Brighton

BN1 7HF

Tel: 01273 553044

Councillor Jason Kitcat  
Chair, Policy & Resources Committee  
Brighton & Hove City Council  
King's House  
Rand Avenue  
Hove  
BN3 2 LS

7 April, 2014

Dear Jason,

### **Concern over Sunday free parking proposals**

The City Sustainability Partnership (CSP) is a member of the family of partnerships which form part of the Brighton & Hove Strategic Partnership, Brighton & Hove Connected. It is tasked by the Brighton & Hove Connected with being the city's lead on sustainability issues, both in developing strategies and policy but also in helping to oversee progress towards the outcomes in the Sustainable Community Strategy (SCS) as you are fully aware.

Within the CSP, there is concern about the impact that any reduction in car parking charges on Sundays could have on the city's ability to meet its outcomes in the SCS, in particular around reducing carbon emissions, improving air quality, increasing use of public transport and increasing active travel. The Liberal Democrat proposal to Full Council the other week, which was deferred to Policy and Resources, has the potential to undermine all of these ambitions. In addition there could be a real economic cost, directly and indirectly to local residents.

The first is that any loss in revenue, at a time when resources are scarce could see cuts made elsewhere to pay for this. Secondly, if the free parking leads to any loss of revenue for the bus company it will either have to reduce its costs (by cutting services) or increase its income (by raising prices). Given that Sunday services are often more marginal than weekday ones, free Sunday parking could seriously undermine their viability and lead to more pressure for Council supported services. Thirdly, there could be wider financial costs if more cars lead to more congestion resulting in delays to bus services across the city. Given existing concerns about the cost of bus services in the city, any upward pressure on prices is highly undesirable.

Therefore, the CSP would like to request that when any report is prepared into the proposal for free, or reduced price, Sunday car parking, it should consider the following issues:

- Likely impact on carbon emissions
- Likely impact on air quality and how it fits with the Air Quality Action Plan
- Possible impact on active travel (walking and cycling)
- Direct financial cost to public purse
- Potential loss of income for the bus company
- Vulnerability of Sunday bus services to any loss of revenue, particularly if it leads to pressure for more Council supported services and the cost of this if it were to happen

While it is always difficult to say with any certainty exactly what will happen due to a particular intervention, reducing cost nearly always stimulates demand. Therefore, reducing the cost of car parking is likely to increase car use and attract people away from more sustainable forms of transport, particularly the buses, with all the negative impacts outlined above.

Equally important is that if any free or reduced price parking is taken forward, monitoring is put in place so that its full impact can be assessed. Therefore, the CSP would be keen to see an adequate monitoring regime agreed and properly resourced alongside any proposals that are taken forward.

I trust this letter is clear in outlining our concerns and what we would like to see happen if any proposal for free Sunday parking is given further consideration. If you have any queries about anything we have said please do not hesitate to get in touch.

Yours sincerely,

A handwritten signature in black ink that reads "Chris Todd". The signature is written in a cursive style and is underlined with a single horizontal line.

Chris Todd  
Chair  
City Sustainability Partnership

c.c. Cllr Geoffrey Theobald, Leader Conservative Group  
Cllr Warren Morgan, Leader Labour Group  
Tony Mernagh, Chair of Brighton & Hove Connected

**Subject:** Adult Services- Future Service Models  
**Date of Meeting:** 12 June 2014  
**Report of:** Executive Director Adult Services  
**Contact Officer:** Name: Karin Divall Tel: 29-4478  
Email: Karin.divall@brighton-hove.gov.uk  
**Ward(s) affected:** All

**FOR GENERAL RELEASE**

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

- 1.1 At it's meeting in December 2013 the Policy & Resources (P&R) committee asked the Executive Director of Adult Services to develop a business case to demonstrate whether establishing a Local Authority Trading Company (LATC) to deliver Adult Social Care (ASC) services is in the best interest of the City Council.
- 1.2 The report also outlines the legislative and funding changes that have taken place since the original report went to P&R committee in December. Consideration needs to be given to the impact that additional change would have within ASC at this time if a LATC should be established at the same time as the implementation of the Better Care initiative and the Care Act, the competing priorities on management capacity and the associated financial risks
- 1.3 This report details the findings arising from the business case (financial summary attached as appendix 1 and 4).

**2. RECOMMENDATIONS**

- 2.1 That committee agree not to establish a Local Authority Trading Company (LATC) for ASC services.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The development of a trading company needs to be viewed in the wider context of the major challenges that will face ASC over the future five years. Since the December P&R report the Care Act has received royal assent, and the Better Care fund bid has been signed off by the local authority alongside the CCG and there are plans to implement phase one of a new model of more integrated working involving primary care, community care and adult social care in two localities in the City later this year.

- 3.2 The implementation of the Better Care Fund and the Care Act have gathered pace over the past few months and will have wide-ranging implications for ASC services. The pooled budget for the Better Care Fund is £7.6 million in 2014/15 and will increase to £19.7 million in 2015/16. Grant funding of £0.125 million has been allocated for the implementation of the Care Act and £0.5 million has been set aside in reserves as implementation funding for ASC reforms. The work required to deliver further integration with health will have significant impact on all ASC services including Provider Services, and it is not clear whether the development of a LATC would be able to effectively support further integrated working.
- 3.3 Adult Social Care in-house provider services (day care, home care and residential care) have a gross budget of £18 million, against which there is an expectation to deliver unachieved savings in 2014/15 of £0.5 million from efficiencies through a new model of service delivery.
- 3.4 The move over the past decades has been to increasingly deliver these Provider services in the private and voluntary sector and only about 10% of provider services remain in-house. The cost of providing these services in-house is relatively expensive and it is increasingly difficult to deliver savings whilst we continue to provide traditional models of services.
- 3.5 The more recent focus on personalisation also means that people are increasingly being given direct payments and choosing to purchase care and support services on an individual bespoke basis in the private sector or voluntary sector, or using mainstream services as opposed to receiving traditional council services.
- 3.6 This is a national picture and it is against this background that the service has been looking at what other authorities have been doing to provide sustainable Adult Social Care Provider services.
- 3.7 A number of options have been developed by the service and these have been subject to review by a Scrutiny workshop and a staff focus group. This work was reported to P&R in December who recommended that a business case should be developed for a Local Authority Trading Company (LATC).
- 3.8 The recent EY report identified potential savings of £0.7m to £2.0m if the service were to be transferred to an Alternative Service Delivery Module (ASDM) such as an LATC. However, EY identified a more significant opportunity through Commissioning, Partnership and Integration with an addressable spend of £173 million across ASC and the CCG.

#### **4. THE BUSINESS CASE FOR A LATC**

- 4.1 The business case which has been developed for a Brighton & Hove LATC (appendix 1 and 4) indicates that a trading company could

achieve close to break even from year two and could potentially deliver a contribution to BHCC of £3.9 million (20% savings) over 5 years. However the assumptions underlying this include that whilst existing staff would transfer on existing terms and conditions, new employees and employees who change jobs within the company would be employed on different terms and conditions in order to reduce the cost base of the company. By reducing the company costs this then enables the company to be able to compete competitively for new business from year 3. The business case assumes a modest growth of business from self funders, and business from other local authorities.

- 4.2 Whilst the company could potentially break even after two years there will be additional costs to the local authority in setting up a new company and in establishing and running a new Board. When making a decision on the preferred option it is also important to measure any potential financial benefit of moving to a different organisational model against the cost and resources required to effect a successful and ideally seamless transfer of over 600 employees.
- 4.3 The transfer to a new organisation would require full consultation and negotiation, and to run smoothly the principle would need to be supported by Members and be subject to consultation with the Trade Unions.
- 4.4 The company could potentially generate a surplus of £3.9 million over five years however this needs to be seen in the context of the council's medium term financial strategy which indicates that Provider Services would need to make savings of £6.4m over the next five years.

## **5. SUMMARY OF THE FINANCIAL BUSINESS CASES**

- 5.1 The graph in appendix 1 compares the cost to BHCC of continuing to operate ASC services in-house against the estimated cost of transferring and operating them within an LATC. This shows the impact of when the LATC would be able to make a contribution back to BHCC as a result of operating at a surplus ( from Year 3 2017/18).
- 5.2 When estimating the financial benefit of moving services into an LATC it is important to understand where future business opportunities, savings and efficiencies may be realised. For the sake of this report these have been considered under the following headings

### Staffing Costs.

- 5.3 Staffing costs account for over 90% of the operating cost of the service. With a requirement to save 5.5% from the budget in 2014/15 and the need to meet undelivered savings of 6% from 2013/14 it is clear that this cannot be achieved without a reduction in employee costs.

- 5.4 It is acknowledged that BHCC rates of pay are higher than the local market rates and BHCC employees would transfer to the new employer on their existing terms and conditions. Subsequently any saving resulting from pay, pension and national insurance payments etc, would only be realised as a result of natural wastage where new employees were employed on terms and conditions inline with the local market. With a current attrition rate of 4.5% it will be some time before significant savings are achieved. This approach is also something that may not be acceptable to the shareholder (the local authority).
- 5.5 There is also an argument that once organisations are given the greater degree of freedom afforded by a move to an LATC, staffing productivity increases and levels of absenteeism and sickness fall, reducing the amount of additional resources required to cover for front line staff.

#### Opportunity to grow income

- 5.6 One of the main benefits of moving to an LATC is the opportunity to trade and to sell services directly to the market. To do this the LATC would need to be competitive both in the quality of the service they offer and in the price they charge. A very high percentage of the LATC's cost will continue to be the cost of employing staff. The business plan shows staffing costs falling as new employees are employed on more competitive terms and conditions of service than transferred employees. It is estimated that by the start of year 4 the LATC would be in a position to compete on cost. However if staff costs remain at their current levels the LATC will be limited in its ability to generate new income.
- 5.7 In terms of the future it is anticipated that the home care market linked to a reabling type model will grow and could provide opportunities for additional income, whereas the market for services for people learning disabilities is less likely to increase.

#### **5.8 Financial analysis**

- 5.9 Appendix 4 projects the first five years of trading for an LATC which has been set up to run all services currently delivered by Adults Provider Services with the exception of Able and Willing. This show a potential to generate savings of £3.9mm over five years. The estimated reduction in costs for BHCC is £6.4m over the same period.
- 5.10 Whilst set up costs including new board costs ( MD & FD) are included the additional burden on BHCC management capacity in planning and implementation is not costed or reflected within appendix 4
- 5.11 The main areas for cost reduction have come from employee costs, through efficiency savings, the introduction of new terms and conditions of service for new staff and less use of agency staff.

- 5.12 These initiatives are planned to reduce the cost of employees by 12% by the end of year 3.
- 5.13 The other significant impact of the LATC is its ability to attract new business. The model shows new business income from Year 4, from private or self-funders new business through BHCC as provider of choice and competing against the local market. This will be possible if the cost base has been reduced significantly at this point.
- 5.14 Feedback from staff/union workshop (September 2013)  
Feedback from the staff/union workshop is included in Appendix 2.
- 5.15 EY Report  
The recent EY report identified potential savings of £0.7m to £2.0m if the service were to be transferred to an Alternative Service Delivery Module (ASDM) such as an LATC. The business case detailed in appendix 4 supports these projections but it should be noted that these savings are unlikely to be fully realised in the early years of the life of the LATC and while employee costs remain relatively high.
- 5.16 Sustainability of the Service  
The financial challenges facing the service are considerable with further saving to be produced in future years. If the service is unable to respond to these challenges through some form of managed change the size of the in-house service will have to reduce, with services closing or being transferred to the private sector in order to meet the demands of the reducing budget.

## **6. COMMUNITY ENGAGEMENT & CONSULTATION**

- 5.1 There have been regular meetings with staff from ASC Provider Services and union representatives since February about the financial challenges and the options that are available for the future. Appendix 2 includes some work from a staff/union focus group which took place in September and which looked at the strengths and weaknesses of each option.

### **Scrutiny Engagement.**

- 5.2 Following the request from the Executive Leadership Team (ELT), the Health & Wellbeing Overview & Scrutiny Committee agreed that scrutiny should be involved in this initiative via a series of informal workshops. The workshops were chaired by Cllr Andrew Wealls, supported by Cllrs Gill Mitchell and Bill Randall.
- 5.3 Over the course of two meetings scrutiny members examined all five potential options, with input from Unison and the GMB, and from BHCC legal, HR and finance officers, as well as the Head of Adult Social Care Provider and the Executive Director of Adults Services.

- 5.4 Scrutiny members sought to support the Council's decision-making process by conducting a dispassionate appraisal of the merits of each service model in terms of its suitability for ASC Provider services. Members' discussions, conclusions and recommendations are summarised below.

**Do Nothing.** Scrutiny Members heard differing views on the feasibility of making very significant efficiency savings within the current service model (i.e. of in-house services). Whilst Unison was confident that this could be achieved, the Head of ASC Provider was much less so. Members made the following suggestion in relation to this:

That the potential for making efficiency savings within the current model of in-house provision should be thoroughly explored before any decision is made about future service models for ASC provider services. Decision makers (P&R) should explicitly consider the achievable savings within the in-house service when they choose their preferred service model.

**Provider of Last Resort.** Members were conscious that ASC services are statutory services where BHCC is obliged to act as the 'provider of last resort' in terms of supporting vulnerable adults. The Executive Director of Adult Services(DASS) stressed to members that there were real practical difficulties in undertaking this role if the only 'control' the EDAS had over provider services was contractual (as would be the case with outsourced services or a social enterprise model). Members agreed that this was a significant concern, and that a provider of last resort service should be retained in any future service model (either by opting for a model that allows the DASS to retain effective control of services, or by opting to retain some services in-house if opting for a model which does not allow for this level of control). Members made the following suggestion:

The council needs to be able to discharge its statutory duties as a provider of last resort, and to do so properly needs to retain effective control over key ASC Provider services (i.e. more than contractual control). Decision makers (P&R) should explicitly consider the need to retain this function when they choose their preferred service model.

**Local Authority Trading Company (LATC).** Members recognise that an LATC would potentially provide some of the advantages of externalising services whilst allowing the DASS to retain a degree of control as 'provider of last resort. In addition, BHCC could contract directly with an LATC without having to go to tender. However, members also heard significant concerns about LATCs expressed by Unison and the GMB.



## **6. CONCLUSION**

- 6.1 The savings required from ASC provider services cannot be achieved without a significant reduction in the budget for employees regardless of whether the services remain in-house or are transferred to an LATC.
- 6.2 In both scenarios the service is going to have to undergo a thorough review of the way that services are delivered and facilities are staffed if these savings are to be achieved.
- 6.3 Whilst the Council can currently generate income this is limited as the Council is unable to make a profit from social care services, and the high cost of its services mean that it could not compete with other providers in the City. An LATC in the longer term would be able to compete within the local marketplace attracting additional income streams not available to the in-house operation.

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

### Financial Implications:

- 7.1 Adult Provider services overspent in 2013/14 by £1.1m and latest projections show a projected shortfall of £1.5m against the 2014/15 budget. Whilst there is potential to make savings of £500k in 2014/15 a radical approach is required to address the savings shortfall and future years savings targets, including reducing the number of services provided in house.

Initial estimates show potential for a LATC to generate savings of £3.9m over 5 years.. The projections show that BHCC would not realise a cashable benefit from a contribution from the LATC until year 3 (2017/18). This would result in a savings shortfall £2.5m compared to the assumptions within the Medium Term financial strategy.

There are significant risks in delivery of a successful LATC especially associated with the assumptions on savings related to staffing and on business growth. If the LATC fails to deliver against projections then BHCC would have to cover the costs.

The management capacity to deliver this change is limited as the focus is currently on the financial and other opportunities that will be realised through the Better Care Fund.

In terms of Value for Money the LATC would in the longer term be more competitive with the market. However, this needs to be weighed against the delivery of savings targets over the next 3 years, the risks inherent within a LATC and the potential that integration with health may offer.

The 2013/14 saving target of £0.5m against alternative service models will not be achieved in 2014/15. If the LATC were to go ahead this saving would not be delivered until 2017/18. If the LATC is not agreed it will be necessary to call off against the one off risk provision to cover this saving shortfall.

*Finance Officer Consulted: Anne Silley*

*Date: 22/05/14*

Legal Implications:

- 7.2 A local authority trading company (LATC) is a commercial organisation which has the ability to trade, using trading powers set out in the Local Government Act 2003. Unlike the Council, a local authority trading company can make a profit in relation to services it provides, unless the service is something the Council is required to provide due to an existing statutory duty.

Contracts awarded to a Local Authority company can only be awarded directly to the company without going through a tender process if:-

- a) the level of control the Council exercises over the company is similar to its control over one of its own departments, and
- b) the main part of the company's activities are carried out for the council.

If a Local Authority company was established and successfully grew its share of non-local authority work (as would be envisaged to achieve the financial benefits required), the company would need to compete in the open market for its work.

If a Local Authority Trading Company was established, Council staff currently working in relevant services would transfer to the LATC under the Transfer of undertakings Protection of Employees (TUPE) Regulations.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 15th May 2014*

- 7.8 Equalities Implications:

An EIA will need to be produced to inform the development of any different model or models of delivering ASC services.

- 7.9 Sustainability Implications:

There are no sustainability implications directly from this report but these will need to be taken into consideration if a different model of developing services is taken forward.

- 7.10 Any Other Significant Implications:

Employees

In the case of a LATC, where the services to be performed by the new provider are the same/similar to and carried out in the same/similar way to those services currently carried out by council then the TUPE (Transfer of Undertakings Protection of Employment) Regulations are likely to apply to those staff. Employees transferred under TUPE see their employment end with BHCC and continue with the new provider.

Adult Provider Services current headcount is approximately 640 employees. Assuming that TUPE would apply, the proportion of these employees that would potentially TUPE transfer their employment to a new provider would be determined by the services the new provider delivers. For the purposes of the Business case it is assumed that 95% of staff would transfer to a LATC.

#### 7.11 Service Users.

An LATC would continue to work under a council contract and it is not expected that there would be an impact on service users from this model. ASC would continue to commission services and provide an assessment service.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- 1. Graph showing comparison of BHCC gross costs with or without a LATC over the period to 2019/10*
- 2. Extract from Staff/union feedback workshop included in the December Committee report.*
- 3. Notes on LATC's from the December Committee report*
- 4. BHCC New Company Ltd P&L account for first five years.*

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

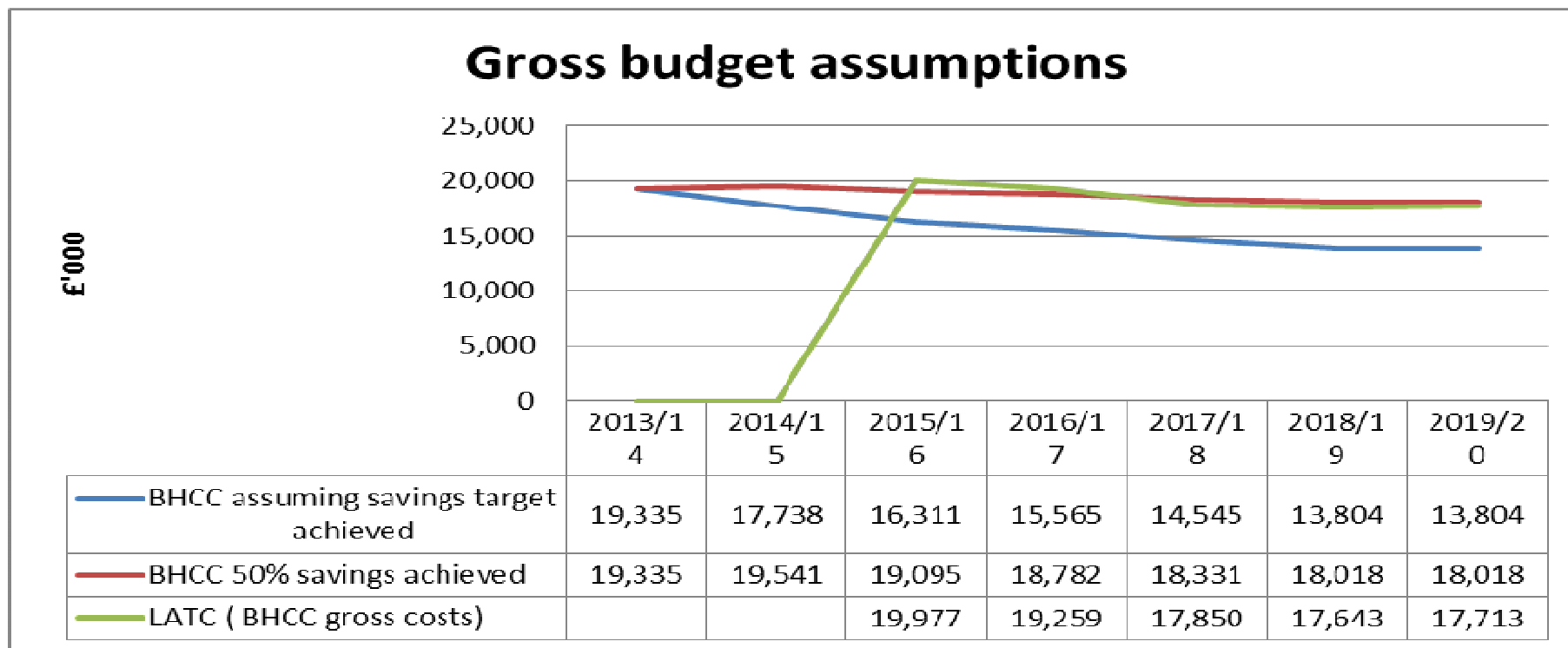
*None*

### **Background Documents**

*None*

Appendix 1

Graph showing comparison of BHCC gross costs with or without a LATC over 2014/15 to 2019/20



- **The BHCC gross costs assuming savings represents the medium term strategy position with the delivery of £6.4m savings in the period 2014/15 to 2018/19**
- **BHCC 50% savings is a more realistic assumption ( in the light of the level of unachieved savings) assuming delivery of £3.2m savings in the period 2014/15 to 2018/19**
- **LATC would not commence until 2015/16 and would not deliver a contribution to BHCC until 2017/18. Total savings of £3.9m are assumed in the period 2015/16 to 2019/20.**
- **See detailed assumptions on LATC in Appendix 4**

**Appendix 2 - Extract from Staff/union feedback from a workshop held in September 2013 on the options for future models of delivery.**

	<b>Question</b>	<b>Responses received</b>
4a	<p><b>LATC (Council owned trading company)</b></p> <p><b>Positives / opportunities</b></p>	<ul style="list-style-type: none"> <li>• Generate income – How? Where to reinvest</li> <li>• Freedom to be more creative (control over budget etc)</li> <li>• Still linked to Local Authority</li> <li>• Staff terms and conditions will be protected (for a while???)</li> <li>• Not paying for a service we don't need</li> <li>• Council is a shareholder and as such would work with the LATC to succeed*</li> <li>• Service users would benefit from knowing *</li> <li>• Flat organisation</li> </ul>
4b	<p><b>LATC (Council owned trading company)</b></p> <p><b>Disadvantages / concerns</b></p>	<ul style="list-style-type: none"> <li>• Profit before quality</li> <li>• No history of LATC reputation</li> <li>• Element of risk – what happens if the LATC fails?</li> <li>• Do services have staff with the skills to run a business. What if they don't?</li> <li>• Terms and conditions at risk</li> <li>• Direct Payments may not be big enough</li> <li>• Low take up of DP</li> <li>• Actually higher cost?</li> <li>• Lack of certainty of savings in B&amp;H</li> </ul>
5a	<p><b>Retain Services In-house</b></p> <p><b>Positives / opportunities</b></p>	<ul style="list-style-type: none"> <li>• Staff terms and conditions</li> <li>• Retain direct control of services, including training quality</li> <li>• Retain proximity and relations between Assessment and Provider services – at risk?</li> <li>• Partnership working</li> <li>• Good quality services</li> <li>• Save on costs of setting up new business</li> </ul>

5b	<b>Retain Services In-house</b>  <b>Disadvantages / concerns</b>	<ul style="list-style-type: none"> <li>• Care before profit</li> <li>• Continue to shrink</li> <li>• Continue to provide services to people with complex needs with less resources →staff illness / sickness</li> <li>• Less control</li> <li>• Uncertainty over future of service</li> <li>• Quality of Service provision may go down</li> <li>• High unit cost</li> <li>• Slow decision making process</li> <li>• Cannot access external partners (not just NHS / assessment)</li> <li>• Lack of flexibility</li> </ul>
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## Appendix 3

### **Notes on Local Authority Trading Companies**

- BHCC has powers to establish a local authority trading company (LATC) under the local Government (Best Values Authorities) (Power to Trade) (England) Order 2009.
- A LATC is a properly constituted company within the legal requirements of company law. The council is the sole shareholder in the company.
- An LATC is a company established by the local authority in order to offer its services on a commercial basis i.e. make a surplus. The council (shareholder) appoints the Board and determines degree of control
- The power to trade can only be exercised through a company.
- A local authority must recover the costs of any accommodation, goods, services, staff or anything it supplies to the LATC.
- A business case must be prepared before the power to trade is exercised and must be approved by the Council. The Business case can range from improved efficiency to profit making. Costs would be involved in setting up a new company
- Where a contract is awarded to a company wholly owned by the council and where the company is carrying out essential activity of the council then the council is not required to put the procurement of these services out to tender.
- Staff would TUPE across to the new company on existing terms and conditions and the staff and services would remain local
- Service users have more choice and control and can choose to spend their direct payments with a trading company.
- The council would be in a better position than it would be if contracting with non council-owned organisations to procure that the LATC could provide a service of last resort
- Any surplus/profit/income is invested in the company or returned to the council
- This model retains the council branding; service user trust and confidence.
- Experience elsewhere demonstrates that LATCs have higher morale, lower absences.
- Corporate over-heads are lower enabling the organisation to be more competitive.

Examples of Adult Social Care LATCs include:

- Optalis (Wokingham)
- Your Choice Barnet
- Oldham
- Essex Cares
- Buckinghamshire
- Croydon Care Solutions
- Olympus Care Services (Northamptonshire)
- Norse Group (Norfolk)

Swansea and Southampton both explored LATCs but did not progress them.



Description	Notes	2013/14	2014/15	Year 1	Year 2	Year 3	Year 4	Year 5	Inflation assumptions/ other
		actuals	budget						
Income		outturn	(before	2015/16	2016/17	2017/18	2018/19	2019/20	
		£000	2014/15	£000	£000	£000	£000	£000	
			savings)						
BHCC block contract				19,264	19,264	19,264	19,264	19,264	Based on the 2014/15 budgets for the services to be transferred before savings
BHCC support services				1,842	1,842	1,842	1,474	1,474	Assumes funding from LA to cover support service charges
BHCC client contributions		1,124	1,435						Assume income retained by Local Authority
BHCC grants & reimbursements		2,800	2,566						Assume income retained by Local Authority
<b>subtotal BHCC contract &amp; support services</b>				<b>21,106</b>	<b>21,106</b>	<b>21,106</b>	<b>20,738</b>	<b>20,738</b>	
Self funders					24	60	119	238	Assume 10% of potential year 2, 25% yr 3, 50% yr4, 100% yr 5
Other New services							193	482	New business @ 1% of contract sum yr 4, 2.5% year 5
BHCC new business-'provider of choice'						193	193	193	New business @ 1% of contract sum yr 3,4,5
<b>Total Income</b>		<b>3,924</b>	<b>4,001</b>	<b>21,106</b>	<b>21,130</b>	<b>21,358</b>	<b>21,242</b>	<b>21,650</b>	
<b>Expenditure</b>									
<b>Staff Costs</b>									
Staff pay at beginning of year		17,613	17,312	17,659	17,483	16,591	15,583	15,752	Inflationary Increase by 1% pa year 1, incremental increase 1% years 1 & 2
Staff costs- predicted cost reductions-agency costs and absence management				-181	-35	-25	-17	-11	
productivity/ rotas/ increasing utilisation				0	-525	-830	0	0	Assumes 3%reduction year 2 and a further 5% year 3
turnover				-168	-333	-326	-160	-159	Assumes new staff of different terms & conditions
Additional cost of delivering new business				0	0	0	173	433	Assumes a 10% margin on new business
Additional cost of delivering new BHCC business				0	0	173	173	173	Assumes a 10% margin on new business
One off cost of service reviews				50	200	100			
<b>subtotal staff</b>				<b>17,360</b>	<b>16,791</b>	<b>15,683</b>	<b>15,752</b>	<b>16,189</b>	
Rent for Properties & other property costs		447	540	551	562	545	528	539	Inflation at 2% pa
Predicted cost reductions					-28	-27			Reduce by 5% years 2 & 3& 4
Transport-		354	397	405	414	401	389	396	Inflation at 2% pa
transport-predicted cost reductions					-20	-20			Reduce by 5% years 2 & 3
Supplies & Services-		690	723	723	693	659	626	626	Assume no inflationary increase
supplies-predicted cost reductions- catering				-30					
other consumables cost reductions					-35	-33	-31		Reduce by 5% years 2 & 3& 4
Third party payments( CSTS)- current costs		199	232	232	232	232	232	232	Services provided by SCT- reflect within
Capital financing costs-2013/14		32	60	60	60	60	60	60	Assume reflected within block contract
<b>Total Service Expenditure</b>		<b>19,335</b>	<b>19,264</b>	<b>19,302</b>	<b>18,669</b>	<b>17,499</b>	<b>17,555</b>	<b>18,042</b>	
<b>Net direct contribution (income less expenditure)</b>		<b>-15,411</b>	<b>-15,263</b>	<b>1,805</b>	<b>2,461</b>	<b>3,859</b>	<b>3,687</b>	<b>3,608</b>	
<b>Support, set up and other costs</b>									
Board costs				300	300	300	300	300	Say MD,FD and other Board costs
Property, insurance, legal etc				150	100	100	100	100	Assumes £50k one off set up costs, £100k ongoing
Support services		1,769	1,769	1,415	1,415	1,415	1,132	1,132	Assume 20% reduction year 1, further 20% year 4
Management & Admin Charges		534	534	427	427	427	342	342	Assume 20% reduction year 1, further 20% year 4
Irrecoverable VAT				225	214	203	193	183	
<b>Total Support Costs</b>		<b>2,303</b>	<b>2,303</b>	<b>2,517</b>	<b>2,456</b>	<b>2,445</b>	<b>2,067</b>	<b>2,057</b>	
<b>Potential profit/loss(-) which represents contribution to BHCC</b>				<b>-713</b>	<b>5</b>	<b>1,414</b>	<b>1,621</b>	<b>1,551</b>	
<b>Total over 5 years</b>								<b>3,879</b>	
<b>Percentage of income</b>				<b>-3%</b>	<b>0%</b>	<b>7%</b>	<b>8%</b>	<b>7%</b>	



<b>Subject:</b>	<b>Progress Report on the Workforce Equalities Action Plan</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Sue Moorman</b>	<b>Tel: 29-3629</b>
	<b>Email:</b>	<b>Sue.moorman@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT & POLICY CONTEXT:**

- 1.1 At its meeting in July 2013, the Committee considered a report detailing the findings from the council commissioned assessment of race equality in employment at the council that had been carried out by the consultants, Global HPO. Whilst the findings identified specific issues in relation to race equality, many were relevant to all equality groups and indeed to more fundamental performance and cultural issues within the council.
- 1.2 Given the extent and nature of the issues raised by Global HPO, it was recognised that if the council wished to effectively address these issues and so effect and embed real cultural change within the organisation, it would be necessary to develop an action plan over a three year period.
- 1.3 Therefore, at the July 2013 Policy & Resources Committee, members agreed a high-level three year action plan. At the same time they also agreed the work programme that would be carried out in the first year.
- 1.4 The purpose of this report is to brief members on the progress that has been made against the Year 1 Action Plan and to seek approval for the work it is proposed to carry out in Year 2.

**2. RECOMMENDATIONS:**

- 2.1 That the Committee note the progress made against the Year 1 Action Plan, as set out in paragraphs 3.7 - 3.10 and Appendix 1.
- 2.2 That the Committee approve the Year 2 Workforce Equalities Action Plan set out in Appendix 2.

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

#### **Background**

- 3.1 The Workforce Equalities Action Plan has been incorporated within the council's Corporate Plan and is a key area of focus under the organisation's modernisation agenda. The prioritisation of issues was developed through a stakeholder prioritisation exercise including representation from the Workers' Forums, Human Resources & Organisational Development (HR&OD) teams and the Communities, Equality & Third Sector team.
- 3.2 Year 1 of the Workforce Equalities Action Plan (see Appendix 1) focussed on the agreed priority actions that were the fundamental precursors to any future work. For example, many of the actions related to improving the capture, quality and analysis of our workforce and recruitment data. Good quality data is vital in helping any organisation identify equality issues, patterns and trends that need to be addressed. So, it was sensible for the council to set about establishing a baseline of high-quality, robust employment data as one of the first tasks so that this could be used to inform future action planning.
- 3.3 As a result, a significant proportion of all the recommendations made by Global HPO, were included within the Year 1 Action Plan and, therefore, the amount of work it was proposed to complete within the first twelve months was a challenging commitment and endorsed on that basis.
- 3.4 The Year 1 Action Plan has been monitored by the Workforce Equalities Group (WEG), chaired by the Head of HR&OD, and comprising representatives from the four Staff Workers' Forums, Trade Unions, HR&OD and the Communities, Equality & Third Sector team. The main purpose of this group is to provide a place for challenge on the council's progress towards implementing the Workforce Equalities Action Plan.
- 3.5 The Year 1 action plan has also been monitored by the BME (Black & Minority Ethnic) Audit Project Board, chaired by the Executive Director of Finance & Resources in her capacity as the Executive Leadership Team's Equalities Champion. The primary purpose of this group, which includes representatives from the BME Workers' Forum Steering Group and HR, was to review progress against the action plan specifically from the perspective of BME staff and to discuss any issues or concerns that might arise as a consequence of that work. A copy of the Governance and Monitoring Framework for this work is attached at Appendix 3 for information.

#### **Progress made against the Year 1 Action Plan**

- 3.6 A considerable amount of work has already been carried out in the last year to address the key issues highlighted in the Global HPO report. A summary of that work is summarised below. For ease of reference, the activity undertaken has been grouped under the four distinct headings in the Action Plan itself:

### 3.7 Workforce data & analysis

- The council's progress towards achieving a more diverse workforce is now being measured against new workforce targets that are in line with the City's economically active population. Work underway by the Communities, Equality and Third Sector team through the BME Needs Assessment is specifically looking at wider employment and economic activity issues with the Economic Development Team. This work will inform any targeted employment interventions that may take place as part of the Year 2 Action Plan
- Equality categories for monitoring both workforce profile and recruitment activity have been expanded in line with Global HPO's recommendations
- Analysis of workforce and recruitment data has been expanded and improved and is now being reported regularly to senior management, the Workforce Equalities Group and Directorate Equalities Groups on a quarterly basis
- Work is continuing to improve the quality of our workforce data by reducing the percentage of employees and casual workers for whom the council holds either incomplete, or no, personal equalities data. Particular effort has been focussed on capturing data from employees working in those service areas where declaration rates are lowest e.g. CityClean and CityParks. The level of "unknowns" has so far been reduced by approximately 2% although it is expected that this figure will improve further as the equalities data currently being collected is input on to the council's HR management information system.
- Discussions are underway with our supplier of agency workers to improve the equalities data they provide to the council on those agency workers who have undertaken assignments within the organisation
- Work has been carried out to improve the capture, quality, and analysis of information collected from staff who leave the council by revising the exit questionnaire and introducing an online system for individuals to feedback, anonymously if they so wish, their experiences of working for the organisation

### 3.8 Recruitment & Retention

- Following publication of the findings from the BME Needs Assessment project, work is underway to build better relationships with BME communities within the City. As part of this community engagement work, HR is working closely with the Communities, Equality & Third Sector team to look at how, as an employer, the council can improve its reputation amongst those from local BME communities so that they begin to view the council as a good potential employer
- The council's recruitment and selection training, including the e-learning module are being reviewed to ensure they are fit for purpose. Some initial work has already been completed to highlight to managers the risks of personal unconscious bias in the selection process
- All vacancies released for external advertising are now also being advertised on a relatively new job board called, Diversity Jobs, in an effort to encourage applications from groups under-represented within our workforce. This job board already hosts vacancies for some large

employers such as e-on, Royal Mail and EDF Energy who place diversity high on their corporate agenda.

### 3.9 Training & Development

- The council's Equalities and Diversity e-learning modules ("Introduction to Equality & Diversity" and "Equality & Diversity for Managers") have been reviewed and Global HPO have been commissioned to revise these to ensure they are fit for purpose
- The council's values and behaviours have been included in all corporate management training courses and the equalities and diversity content of these reviewed to ensure managers are competent and confident in managing diversity issues in the workplace
- The council's e-induction training programme has been reviewed and similarly updated. However, further work will be necessary to ensure it reflects the Equality and Diversity corporate training modules when these have been re-vamped
- Specific Trans awareness training for staff, as recommended by the Trans Equality Scrutiny Panel, has already been delivered to those employees working in Housing and is planned for Adult Social Care. More general awareness of Trans issues is being incorporated within the new corporate Equalities and Diversity e-learning modules
- Equalities & Diversity training for members has been delivered and feedback received to date has been helpful in planning future events with particularly positive responses to the Trans Equality training. The events were attended and a meeting has been scheduled with the training provider, Democratic Services and the Workforce Development team to discuss the feedback and future training needs. The training covered an Equality and Diversity Overview, Race & Religion, Disability and Transgender Awareness. Members' induction is also being reviewed and we aim to have equalities and diversity briefings/workshops featured within the programme.
- Working closely with Steering Group members from the four Workers' Forums, a training programme has been developed by the Communities, Equality & Third Sector team. The programme is designed to enable the Workers' Forums to work more effectively with the council on equalities issues.

### 3.10 Policies

- The Dignity & Respect at Work Policy has been revised having regard to the council's values and behaviour framework and the recommendations in the Global HPO report. The policy, that was re-launched last August, aims to improve the council's approach to dealing with instances of conflict or inappropriate behaviour in the workplace by placing greater emphasis on early interventions such as mediation. To this end, a new mediation scheme has been developed and recently launched
- HR staff who are required to carry out Equality Impact Assessments on council policies or changes to staffing structures have attended specific training to ensure that they are able to carry out these assessments effectively



- Work is underway to review recruitment and selection practices within the organisation to ensure that they are robust, effective and comply with best practice.
  - The council's Trans Toolkit is being reviewed having regard to the recommendations made by the Trans Equality Scrutiny Panel.
- 3.11 A detailed report showing the progress made against the Year 1 Action Plan is attached at Appendix 1.

### **Proposed Year 2 Action Plan**

- 3.12 It has been recognised that the key focus of the Year 1 Action Plan was to establish a robust baseline of management information to be able to effectively analyse our workforce composition. This enables us to make informed decisions to identify Year 2 activities aimed at increasing the diversity of our workforce.
- 3.13 The work it is proposed to carry out in Year 2 has been determined by:
- reviewing the work that has already taken place in Year 1
  - determining from that review, whether any of the Year 1 actions need to continue into Year 2
  - establishing whether further, more in depth work is required as a result of any of the work already carried out this year
  - revisiting the full list of recommendations from the Global HPO report to identify which of these has yet to be addressed and finally
  - asking representatives from the Workers' Forums, Trade Unions, HR & OD and the Communities, Equality and Third Sector team to identify the actions they considered should be given priority in Year 2.
- 3.14 Following extensive discussion, and having regard to the priorities assigned by each group of stakeholders, it is proposed to implement the Year 2 Workforce Equalities Action Plan attached at Appendix 2.
- 3.15 The main areas of focus in Year 2 are summarised below:

#### Workforce data & analysis

- to expand further the scope of equalities workforce information that is captured, analysed and reported to senior management
- to use this body of data as a tool to scrutinise key HR processes to identify equality issues and implement actions designed to achieve tangible and improved diversity outcomes

#### Recruitment & Retention

- following the BME needs Assessment work, to re-establish effective links with the BME voluntary and community organisations in the City with a view to better understanding their perceptions of the council as an employer

- examine how recruitment and selection processes impact on specific BME groups and use this information to take specific actions designed to improve workforce diversity
- to further develop the content of the council's recruitment and selection training offer to ensure managers have the knowledge and expertise to make good, robust recruitment decisions that will contribute towards improved outcomes for applicants from under-represented groups

### Training & Development

- to carry out a more in-depth and fundamental review of the council's learning and development offer to ensure equality and diversity is an integral part of all courses
- to work with Global HPO to revamp the council's equality and diversity e-learning and workshop-based training to ensure it is fit for purpose

### Policies

- using recruitment data as a tool, review the recruitment and selection policy and practices to identify potential barriers to employment and to implement the necessary actions to increase the diversity of our workforce profile at all levels within the organisation
- develop a suite of key "markers" within the annual staff survey that will enable the council to identify the tangible outcomes as a result of the work being carried out under the Workforce Equalities Action Plan
- monitor the effectiveness of the recently introduced Mediation Scheme at informally resolving conflict in working relationships such as bullying without the need to use formal HR processes
- continue to regularly review HR&OD policies and procedures to ensure they effectively support positive diversity outcomes for our workforce.

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

- 4.1 There are no alternative options for the Committee to consider. The council has already given a commitment to implementing the recommendations set out in the Global HPO report via a three year Workforce Equalities Action Plan. This Action Plan has been incorporated within the council's Corporate Plan for 2014-15 and forms a key part of the organisation's modernisation agenda.

## **5. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 5.1 The content of this report has been discussed fully with members of the Workforce Equalities Group. The representatives from the Workers' Forums and Trade Unions who sit on this group have provided the following joint statement in relation to the work carried out so far:

*"We were pleased with the commissioning of Global HPO to examine race equality in employment with the aim to address some long standing equalities issues. Since the recommendations were delivered and the Workforce Equalities Action Plan developed we have seen and heard a commitment to improve. We acknowledge there needed to be a step back in*

*order to move forward. The WEG are pleased with the progress made on equalities since commissioning the Global HPO report. We recognise it's an ongoing process and the current signs are positive. We now need to see the changes. We look forward to seeing demonstrable evidence based progress going forward and within that we acknowledge our own positions and responsibilities in this process."*

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

### **6.1 Financial Implications:**

Year 2 of the Workforce Equalities Action Plan is expected to be implemented by in-house staff and be absorbed into existing workloads. Other costs noted such as the revision of the council's Equality and Diversity e-learning modules by Global HPO will be met from within existing budgets.

Finance Officer Consulted: Peter Francis      Date: 23 May 2014

### **Legal Implications:**

- 6.2 The Action Plan set out in Appendix 2 is consistent with the council's general equality duty as specified in section 149 of the Equality Act 2010 and will facilitate compliance with the council's specific equality duty under section 153 of the same Act.

Lawyer Consulted: Oliver Dixon      Date: 27 May 2014

### **Equalities Implications:**

- 6.3 This report ensures that the council meets its legal obligations under the Equality Act 2010 in regard to its workforce as well as its Corporate Plan commitments.

### **Sustainability Implications:**

- 6.4 There are no direct sustainability implications arising from this report.

### **Any other significant Implications:**

- 6.5 There are no other significant implications arising from this report.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

- Appendix 1: Progress Report on the Workforce Equalities Action Plan - Year 1
- Appendix 2: Proposed Workforce Equalities Action Plan - Year 2
- Appendix 3: Governance and Monitoring Framework for the Workforce Equalities Action Plan

### **Background Documents:**

None.

<b>WORKFORCE DATA &amp; ANALYSIS - To improve the capture, quality, analysis and reporting of equalities workforce information to the Workforce Equalities Group and to senior managers</b>					
	<b>KEY ACTION</b>	<b>LEAD</b>	<b>UPDATE</b>	<b>ISSUES</b>	<b>RAG Q4</b>
1.	Improve the capture, quality, analysis and reporting of equalities workforce information to senior management	Head of HR Strategy, Policy & Projects	<ul style="list-style-type: none"> <li>Workforce data as at 31 December 2013 is being published on the council's website as part of the council's Public Sector Equality Duty under the Equality Act. This information includes not only the council's workforce profile but also data relating to employee relations casework.</li> <li>Workforce and Recruitment data for Q1 and Q2 2013/14 has been analysed and presented to the Workforce Equalities Group (WEG).</li> <li>HR staff have been reminded of the need to make sure that equality data for new recruits is transferred from the current recruitment system, i-grasp, to the main PIER system. The way in which workforce equalities data is presented in HR's Our People Data (OPD) reports has been improved and now reflects the new monitoring categories and workforce targets. White Other and White Irish groups are now monitored separately</li> <li>The level of unknown equalities monitoring information is now also included as standard. The new format was launched in December along with a statement explaining the context and rationale for changing the way in which the council will be monitoring its workforce in the future.</li> <li>The breadth of data has been increased to include the workforce profile broken down by grade and contract type and there are plans to further expand the information within these reports over the coming months.</li> <li>The new OPD report also enables senior managers to compare their directorate workforce profile against that for the council as a whole.</li> </ul>	<ul style="list-style-type: none"> <li>Need to ensure that HR staff transfer equalities data for successful external applicants from i-grasp to PIER to mitigate an increase in the level of "unknowns" within the workforce data.</li> </ul>	<b>G</b>
2.	Develop an approach that increases the number of staff providing their equality information and focussing on service areas where participation is low	Policy & Projects Manager	<ul style="list-style-type: none"> <li>A new drive to encourage staff to update their equalities information on PIER was communicated in the April 2014 ELT Briefing to all staff. A corporate broadcast e-mail message and communications on The Wave and Wave bulletin are taking place in May.</li> <li>The previous return rates of equality monitoring forms from CityClean and CityParks were extremely disappointing. HR is therefore attending the Training &amp; Communication events being held at CityClean in May 2014 to encourage staff to complete monitoring forms. Arrangements are being made for HR to carry out a similar exercise in City Parks</li> </ul>	<ul style="list-style-type: none"> <li>A lack of engagement by staff who might consider this to be just a "tick box" exercise, which is why this action is rated as AMBER</li> </ul>	<b>A</b>
3.	Produce equalities non-disclosure lists* as part of monthly workforce data reports to Executive Leadership Team and Directorate Management Teams	Senior Systems Analyst	<ul style="list-style-type: none"> <li>The percentage of "unknowns" within individual directorates has now been included in the HR OPD report which is circulated to directorate management teams on a quarterly basis (see Key Action 1).</li> </ul>		<b>G</b>

4.	Review and update workforce targets by comparing the workforce profile, wherever possible, with the City's economically active community profile	Policy & Projects Manager	<ul style="list-style-type: none"> <li>New workforce targets based on the city's economically active population have been included in the quarterly HR OPD reports (see Key Action 1)</li> </ul>		<b>G</b>
5.	Improve the monitoring system for cases of alleged discrimination/harassment to include whether the discrimination/harassment is based on an individual's protected characteristic(s)	Policy & Projects Manager	<ul style="list-style-type: none"> <li>The outcomes of disciplinary, capability, sickness, probation and grievance cases notified to HR during 2013 were input on PIER in December 2013.</li> <li>The data has been analysed and results are being published on the council's website as part of the organisation's obligations under the Public Sector Equality Duty in the Equality Act. This includes analysis of cases specifically involving alleged bullying and harassment. The improvements that have been made to the way in which bullying and harassment cases are monitored means that we are now in a position to identify and monitor cases where the alleged bullying/harassment is based on the protected characteristic(s) of the recipient.</li> <li>This data will be shared with the WEG and ELT.</li> </ul>	<ul style="list-style-type: none"> <li>Meaningful analysis is dependent upon good quality data with casework details being promptly and accurately recorded.</li> <li>A reduction in the level of "unknowns" within the council's workforce data is vital if the equality impact of council policies and procedures is to be determined and trends identified.</li> </ul>	<b>G</b>
6.	Establish a monitoring process that captures information on casual/agency workers by service area and grade	Policy & Projects Manager	<ul style="list-style-type: none"> <li>The equalities data reports provided by Guidant Group (formerly known as Carlisle Managed Solutions) in relation to the council's use of agency workers have been reviewed. The Guidant Group are the council's mandated contract supplier for agency, temporary and interim staff.</li> <li>A meeting has taken place with representatives from Guidant Group to discuss: <ul style="list-style-type: none"> <li>implementation of new contract KPI's in light of the revised council equalities workforce targets</li> <li>revising equality monitoring categories to reflect those now used by the council</li> <li>the methodology used to determine the equalities profile of agency workers engaged by the council</li> </ul> </li> <li>Equality monitoring information for the council's casual workforce will be captured by sending monitoring forms to individuals at the time they receive their new casual contracts of employment. This work is underway.</li> </ul>	<ul style="list-style-type: none"> <li>Ability of Guidant Group's IT systems to produce the information we require, which is why this action is rated AMBER</li> <li>A lack of engagement by casual staff who might consider this to be just a "tick box" exercise</li> </ul>	<b>A</b>
7.	Review and improve the process by which staff who are leaving can feedback their experience of working for the council	Policy & Projects Manager	<ul style="list-style-type: none"> <li>The revised draft of the exit questionnaire has been agreed with the Workforce Equalities Group.</li> <li>Reasons for leaving on PIER are in the process of being reviewed to ensure better identification of reasons for leaving and an automated workflow system is being built that will enable managers to be reminded to complete exit interviews with their staff and to despatch the exit questionnaire to leavers.</li> <li>An online exit questionnaire has been built into the council's Consultation Portal and this is currently being tested with approximately 40 leavers from Children's Services.</li> </ul>	<ul style="list-style-type: none"> <li>Low exit questionnaire return rates will compromise the ability of the council to identify issues/trends requiring action.</li> </ul>	<b>G</b>
8.	Produce regular quarterly management information reports	Management	<ul style="list-style-type: none"> <li>See Key Action 1</li> </ul>	<ul style="list-style-type: none"> <li>Prompt updating of recruitment data in i-Grasp is required to</li> </ul>	<b>G</b>

	(including recruitment data and non-disclosure lists) to Executive Leadership Team and Directorate Management Teams highlighting issues/trends for review and action	Information Officer		<p>ensure good quality and accurate data for analysis.</p> <ul style="list-style-type: none"> <li>• Need to ensure that HR staff transfer equalities data for successful external applicants from i-grasp to PIER to mitigate an increase in the level of “unknowns” within the workforce data.</li> </ul>	
9.	Provide workforce equality information including recruitment data regularly to the Workforce Equalities Group highlighting issues/trends for review and action	Management Information Officer	<ul style="list-style-type: none"> <li>• Q1 and Q2 2013/14 workforce and recruitment data was presented to the Workforce Equalities Group at its meeting in January 2014.</li> <li>• Data for all of 2013/14 will be presented to the WEG at its next meeting</li> </ul>	<p>ensure good quality and accurate data for analysis.</p> <ul style="list-style-type: none"> <li>• Prompt updating of recruitment data in i-Grasp is required to ensure good quality and accurate data for analysis.</li> <li>• Need to ensure that HR staff transfer equalities data for successful external applicants from i-grasp to PIER to mitigate an increase in the level of “unknowns” within the workforce data.</li> </ul>	<b>G</b>

**RECRUITMENT & RETENTION** - To engage with communities of interest to develop an approach that will encourage applications from groups that are currently underrepresented with the council's workforce and monitoring success rates to identify trends

	KEY ACTION	LEAD	UPDATE	ISSUES	RAG Q4
	10. Re-establish a relationship between the BME voluntary and community organisations and the council	Recruitment Strategy & Delivery Manager	<ul style="list-style-type: none"> <li>It was considered appropriate to review the outcomes of the City BME Needs Assessment prior to beginning this work, given that its outcomes will help inform the council's engagement work with BME communities of interest within the City.</li> <li>Therefore, this work will be moved into the Year 2 action plan</li> </ul>	<ul style="list-style-type: none"> <li>The review of the Recruitment &amp; Selection Policy will be informed by this work.</li> </ul>	<b>R</b>
	11. Gain an understanding of the council's image as an employer within the BME and white other communities	Recruitment Strategy & Delivery Manager	<ul style="list-style-type: none"> <li>This will be achieved through the engagement work above in the Year 2 Action plan.</li> </ul>		<b>R</b>
	12. Re-visit the previous advertising campaign that was successful in attracting applications from groups under-represented within the council's workforce	Recruitment Strategy & Delivery Manager	<ul style="list-style-type: none"> <li>Meetings have taken place with our advertising agency, TMPW, about revisiting our DiverCity campaign, however the original campaign branding which reflected the diversity of B&amp;H is still being used on all external adverts. See also Key Action 13.</li> <li>We have entered into a 12 month pilot with Diversity Jobs where all external council vacancies are advertised. This is a relatively new jobs board website that is already hosting vacancies for some large organisations who place inclusivity high on their corporate agenda, such as Royal Mail, eon and EDF Energy.</li> </ul>	<ul style="list-style-type: none"> <li>Incompatibility of campaign branding with new-look council website</li> <li>Potential cost of campaign</li> <li>Limited external recruitment activity</li> </ul>	<b>A</b>
	13. Emphasise to all potential job applicants the importance of disclosing their personal equality monitoring information	Recruitment Strategy & Delivery Manager	<ul style="list-style-type: none"> <li>We are in the process of reviewing and updating the council's jobs site. This work includes refreshing the equalities information on the site to strengthen its diversity messaging and to publicise the council's values and behaviours framework. As part of this work, a prominent message will be used to explain the importance of providing personal equality information as part of the application process and how this data will be used to help the council increase the diversity of its workforce.</li> </ul>	<ul style="list-style-type: none"> <li>Potential costs of system redesign</li> </ul>	<b>A</b>
	14. Improve information about different ethnic groups within the City to enable informed analysis of recruitment data	Senior Analysis and Research Officer	<ul style="list-style-type: none"> <li>Recruitment equalities monitoring form has been amended to ensure that the categories reflect the principal communities within the City (as identified in the 2011 Census) and are consistent with the categories used for monitoring purposes by other council services</li> <li>Collaboration with the Performance &amp; Analysis team has continued. Both teams worked closely together to ensure HR performance indicators within the Organisational Health report reflected the newly introduced workforce targets.</li> </ul>		<b>G</b>
	15. Review content of recruitment and selection training to ensure it addresses equality and diversity issues effectively and make it mandatory for recruiting managers	Workforce Development Manager	<ul style="list-style-type: none"> <li>The Recruitment &amp; Selection e-learning module and skills workshop have been updated to address issues of unconscious bias within the recruitment and selection process.</li> <li>A more in depth review will take place in Year 2 of the action plan and a toolkit will be developed for recruiting managers that will support the e-learning.</li> </ul>	<ul style="list-style-type: none"> <li>We are exploring how we can ensure that recruiting managers attend the training before conducting any interviews.</li> </ul>	<b>A</b>



**TRAINING & DEVELOPMENT** - To review and improve training for all staff, Councillors and workers forums ensuring that Equalities and Diversity issues are effectively addressed

	KEY ACTION	LEAD	UPDATE	ISSUES	RAG Q4
16.	Review and improve Equality and Diversity training, including e-learning, to ensure it effectively addresses equality and diversity issues	Workforce Development Manager	<ul style="list-style-type: none"> <li>An initial review of the Equality and Diversity e-learning (Introduction to Equality &amp; Diversity/ Equality &amp; Diversity for Managers) has been undertaken. However a more in depth review is planned and Global HPO has been engaged to undertake this work.</li> <li>A report has been submitted to HRLT regarding Equality &amp; Diversity skills workshops and agreed in principle. The finalised report is being submitted to ELT for support and funding as training budgets come under pressure for 2014-15.</li> </ul>	<ul style="list-style-type: none"> <li>The report is still to be submitted to ELT which is why this action is rated as AMBER.</li> </ul>	<b>A</b>
17.	Review and improve management development programmes to ensure managing diversity is integral and managers are equipped to understand their role in supporting staff with protected characteristics	Workforce Development Manager	<ul style="list-style-type: none"> <li>There are currently 2 providers of Chartered Management Institute (CMI) qualifications. The provider for the CMI Leadership and Management suite has a couple of future bookings (to the end of the financial year) and has incorporated the new organisational values &amp; behaviours framework into their delivery as well as equality and diversity content for B&amp;HCC across all of the modules they deliver. This framework also acts as guidance for their trainers on how equality and diversity issues should be addressed throughout the programme.</li> <li>A decision is to be taken shortly about the future of the CMI Programme. The Living Our Values Every Day leadership development programme is to be delivered during 2014-15 to all managers in the organisation. A key part of this programme will be to improve the skills and confidence of managers to ensure they can effectively support staff with protected characteristics in the workplace.</li> </ul>	<ul style="list-style-type: none"> <li>Outcomes from our Living Our Values Every Day Programme will impact on future commissioning of training which will take into account recommendations in the Global HPO report</li> </ul>	<b>G</b>
18.	Review and improve induction training to ensure it addresses Equality and Diversity effectively	Workforce Development Managers	<ul style="list-style-type: none"> <li>Council wide and service specific inductions have all been reviewed and updated to reflect the emerging needs of staff.</li> </ul>	<ul style="list-style-type: none"> <li>Further changes to the induction training will be required following the review and improvement of the Equality and Diversity e-learning (outlined in key action 16). It is for this reason that this action is rated as AMBER.</li> </ul>	<b>A</b>
19.	Establish a mechanism for Steering Group members of the Workers' Forums to learn about, and from, each other and collaborate more	Head of Communities, Equality & Third Sector	<ul style="list-style-type: none"> <li>Quarterly joint Fora steering group meetings took place in 2013/14 and learning and development needs were identified for 2013/14</li> <li>During January and February 2014 steering group members attended training sessions on Diversity Awareness and Publicity &amp; Marketing. Lunchtime briefings are currently being planned on EIAs and HR policies.</li> <li>A number of 'Job roles' have been identified within each Forum. These roles are similar across the four forums which means that individuals in similar/same "job roles" within different Forums can share information, contacts and approaches.</li> <li>All induction sessions have been held with new and existing steering group members</li> <li>Each forum has been asked to review the current spend and forecast for the remainder of the year and produce a spending forecast for 2014/15 based on a £3,000 budget. Finalised plans will go to ELT in April 2014</li> </ul>		<b>G</b>

20.	To ensure an appropriate Equality and Diversity briefing, engagement and training programme is available to all Councillors	Democratic Services Manager	<ul style="list-style-type: none"> <li>• An Equality and Diversity Programme for Members has been commissioned and delivery of the programme took place in April 2014</li> <li>• Members' induction is also being reviewed and it is intended to have equalities and diversity briefings/workshops featured within the programme.</li> </ul>		<b>G</b>
21.	To ensure an appropriate trans awareness training programme is available to all staff and councillors focussing initially on those working in customer-facing roles	Workforce Development Manager	<ul style="list-style-type: none"> <li>• The Equality and Diversity Programme for Members now includes a module on Trans awareness.</li> <li>• Specific Trans awareness training has been delivered to staff in housing and is now planned for ASC.</li> <li>• Equality &amp; Diversity e-learning will include a specific module focusing on Trans awareness.</li> <li>• The need for further service- specific training will need to be assessed.</li> </ul>	<ul style="list-style-type: none"> <li>• The scope and ambition of the recent Scrutiny Panel report was very ambitious for the City. The council has limited resources to fund a council-wide Trans-specific awareness programme. Therefore, training has been targeted at some key services and Members. However, the plan to cover Trans issues as part of the re-design of the council's corporate equalities and diversity programme will mean that Trans awareness of all employees will be improved.</li> </ul>	<b>G</b>

**POLICIES** - To ensure that the council has a comprehensive framework of HR and OD policies and procedures that through regular reviews including the use of EIAs continue to reflect legislation and best practice

	KEY ACTION	LEAD	UPDATE	ISSUES	RAG Q4
22.	Provide Equality Impact Assessment training for staff, prioritising Human Resources staff	Equalities Coordinator	<ul style="list-style-type: none"> <li>EIA training has been reviewed and revised to respond to GHPO and training has been delivered based on the new template and guidance being used across the council.</li> <li>EIA training sessions have been held for the following HR teams: Policy &amp; Projects (23Jan), HR Business Partners and Occupational Health (29Jan), Health &amp; Safety (12Feb), Learning and Development (20Mar) and Coaching &amp; Advice (08Apr).</li> <li>Overall a total of 140 staff have been trained between Dec and April from 14 teams across the council. Further training is being identified and planned on a continuing basis. In addition individual meetings with staff to discuss specific EIAs are regularly held.</li> </ul>		<b>G</b>
23.	Regularly review Human Resources & Organisational Development policies and procedures to ensure they reflect legislation and best practice	Policy & Projects Manager	<ul style="list-style-type: none"> <li>A part of our on-going programme of policy review, the review of the Whistleblowing Policy was completed and approved by P&amp;R in March 2014</li> </ul>		<b>G</b>
24.	Re-launch the revised Dignity and Respect at Work Policy raising awareness of the organisation's values and behaviours	Policy & Projects Manager	<ul style="list-style-type: none"> <li>The revised Dignity at Work Policy was launched in September 2013 along with a message from Penny Thompson in her weekly blog stating zero tolerance of bullying and harassment within the organisation.</li> <li>Analysis of bullying/harassment cases will be carried out as part of the wider analysis of HR casework (see first Workforce Data &amp; Analysis key action above. Data is being published on the council's website along with other workforce data.</li> <li>An EIA on the refreshed policy is scheduled to be carried out in the next couple of months.</li> </ul>	<ul style="list-style-type: none"> <li>Meaningful analysis is dependent upon good quality data with casework details being promptly and accurately recorded.</li> <li>A reduction in the level of "unknowns" within the council's workforce data is vital if the equality impact of the policy is to be assessed and trends identified.</li> </ul>	<b>G</b>
25.	Improve and re-launch mediation as a method of resolving conflict in working relationships without the need to use formal procedures	Head of Coaching & Advice	<ul style="list-style-type: none"> <li>A workplace mediation scheme has now been developed and published following consultation with the Trade Unions and Workers Forums.</li> <li>Further work will now take place to publicise and raise the profile of mediation as a tool for resolving issues informally.</li> </ul>		<b>G</b>
26.	Review the Trans Toolkit taking into account the recommendations of the Trans Equality Scrutiny Panel	Policy & Projects Manager	<ul style="list-style-type: none"> <li>An initial review of the Trans Toolkit has taken place and further consultation is now taking place with key stakeholders (particularly the LGBT Worker's Forum) on any further amendments/additions that should be included.</li> <li>An external expert has agreed to Peer review the revised policy.</li> </ul>	<ul style="list-style-type: none"> <li>Following an initial review, it is considered that the toolkit would benefit from a more detailed review which is why this action is rated as AMBER.</li> </ul>	<b>A</b>
27.	Review the recruitment and	Recruitment,	<ul style="list-style-type: none"> <li>This work has been carried over to the Year 2 Action Plan along with with the</li> </ul>	<ul style="list-style-type: none"> <li>The in-depth review of the recruitment and selection policy will</li> </ul>	<b>A</b>

	<p>selection policy and practices to ensure they are applied in a clear, consistent, fair and reasonable manner, taking a positive action approach when appropriate.</p>	<p>Strategy &amp; Delivery Manager and Policy &amp; Projects Manager</p>	<p>necessary BME community engagement work that will inform this review. (Work with communities of interest will be informed by the findings from the recent BME Needs Assessment work).</p> <ul style="list-style-type: none"> <li>• Work is currently underway to scope the review of the policy and current practices. Priority will be given initially to how the current policy is being applied in practice.</li> </ul>	<p>be informed by the outcomes of the community engagement work which has been carried forward into the Year 2 Action Plan. It is for this reason that this action is rated as AMBER.</p>	
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**Workforce Equalities Action Plan 2014-2015 Year two detail**

**Workforce Data and Analysis**

<b>Objective</b>	To improve the capture, quality, analysis and reporting of equalities workforce information to the Workforce Equalities Group and to senior managers							
<b>Key Action</b>	Expand the scope of equalities workforce information that is captured, analysed and reported to senior management, focussing on internal promotions , activity under formal HR procedures including bullying and harassment	Continue to improve the quality of equalities workforce information by developing a strategic approach to instil confidence in staff to provide their personal equality information, focussing particularly on service areas where participation is low	Produce an annual equalities report for ELT, DMT's and the WEG highlighting issues//trends for review and action	Scrutinise recruitment and selection activities to identify potential barriers to employment for applicants from groups under-represented within our workforce and address these	Develop an approach to improve communication on equalities issues throughout the workforce, focussing particularly on those staff without access to the intranet	Continue to improve the capture, quality and analysis of equality information relating to casual/agency workers by service area, grade and their level of migration into the contracted workforce	Improve the capture and analysis of exit data provided by staff leaving the council and provide regular reports to Executive Leadership Team and Directorate Management teams highlighting issues/trends for review and action	Continue to produce regular quarterly management information reports (including recruitment data and levels of non-disclosures) to Executive Leadership Team, Directorate Management teams, Directorate Equality teams and the WEG highlighting issues/trends for review and action

**Recruitment and Retention**

<b>Objective</b>	To engage with communities of interest to develop an approach that will encourage applications from groups that are currently underrepresented within the council's workforce and monitoring success rates to identify trends. To develop an approach that will create a working environment that will facilitate the retention of under-represented groups so they can fulfil their potential.							
<b>Key Action</b>	Following the BME needs Assessment work, re-establish a relationship between the BME voluntary and community organisations and the council	Gain an understanding of the council's image as an employer within the BME and white other communities	Refresh the council's Jobs website to strengthen diversity messaging to encourage applications from groups under-represented within the council's workforce	Gain an understanding of how the recruitment and selection process impacts on specific BME groups, including those from the Bangladeshi community * and use this to inform action planning  <i>*This community is of particular interest as a particularly high proportion of its members are economically active</i>	Continue to improve information about different ethnic groups within the City to enable informed analysis of recruitment data	Further develop content of recruitment and selection training to ensure it addresses equality and diversity issues effectively (including the importance of equality monitoring) and make it mandatory for recruiting managers	Create a pool of staff with expertise in recruitment and selection to support inexperienced managers on recruitment panels	

### Training and Development

<b>Objective</b>	To review and improve training for all staff, Councillors and workers forums ensuring that Equalities and Diversity issues are effectively addressed								
<b>Key Action</b>	Further review and improve Equality and Diversity training, including elearning, to ensure it effectively addresses equality and diversity issues	Further review and improve management development programmes to ensure managing diversity is integral and managers are equipped to understand their role in supporting staff with protected characteristics	Further review and improve induction training to ensure it addresses Equality and Diversity effectively (including trans awareness , the importance of equality monitoring and providing personal equality data)	Continue to develop the programme for Steering Group members of the Workers' Forums to learn about, and from, each other and collaborate more	To ensure Equality and Diversity (including trans awareness) is incorporated within the induction programme for all Councillors	English as a second language (ESL) training needs assessment to be undertaken for relevant staff, focussing on the use of English in a business context.			

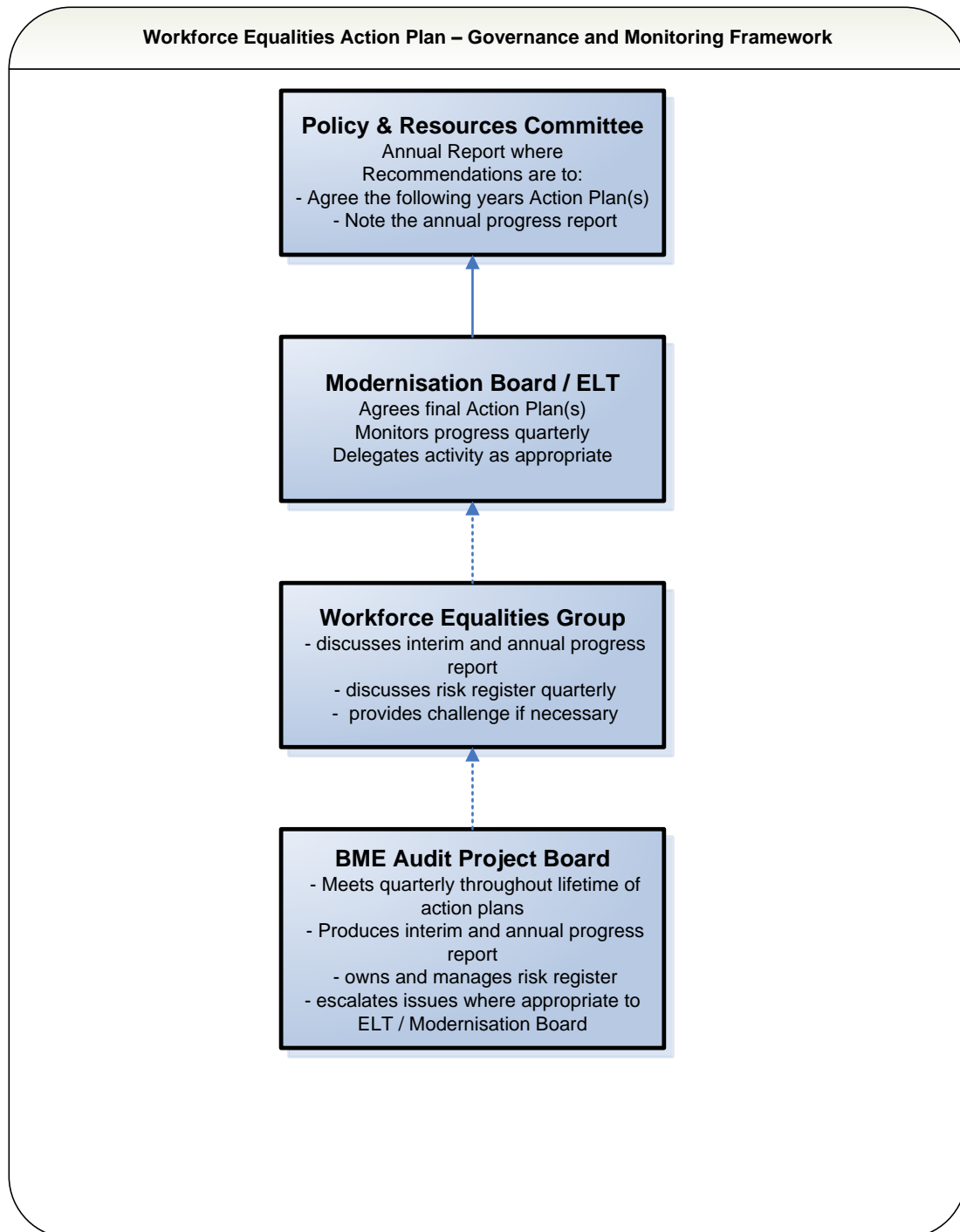
### Policies

<b>Objective</b>	To ensure that the council has a comprehensive framework of HR and OD policies and procedures that through regular reviews including the use of EIAs continue to reflect legislation and best practice								
<b>Key Action</b>	Develop short information guides for staff who are subject to formal HR processes	Continue to regularly review Human Resources & Organisational Development policies and procedures to ensure they reflect legislation and best practice	Monitor and evaluate the effectiveness of the Mediation Scheme in resolving conflict in working relationships without the need to use formal HR processes	Develop a suite of key "markers" within the annual Staff Survey to enable the council's progress on equality and diversity issues to be assessed and monitored	Following the review the Trans Toolkit * , develop an approach to understand better the needs/issues of trans employees and use this feedback to inform action planning  <i>* The "Trans Toolkit" provides advice and guidance for staff and managers to enable the effective inclusion of trans people in the workplace</i>	Review the recruitment and selection policy and practices to ensure they are applied in a clear, consistent, fair and reasonable manner, taking a positive action approach when appropriate			

## Workforce Equalities Action Plan

### Governance and Monitoring Framework

This diagram details how progress of the action plan will be monitored and how an annual progress report will be produced and reported upon.







<b>Subject:</b>	<b>Development of Shared Lives (Transfer of Sussex Partnership Foundation Trust Shared Lives to In-House)</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director of Adult Social Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>David Peña-Charlón</b>	<b>Tel: 29-6810</b>
	<b>Email:</b>	<a href="mailto:David.pena-charlon@brighton-hove.gov.uk">David.pena-charlon@brighton-hove.gov.uk</a>	
<b>Ward(s) affected:</b>	<b>All</b>		

## **FOR GENERAL RELEASE**

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

- 1.1 This report focuses on a request to Policy & Resources Committee to agree the transfer of the Sussex Partnership Foundation Trust Shared Lives Scheme (SPFT Shared Lives) to the Brighton & Hove Shared Lives Scheme (In-House)
- 1.2 The report shares with Committee the outcomes of a consultation regarding the proposed transfer. Permission for the consultation was granted by Adult Care and Health Committee on the 20<sup>th</sup> of January 2014.

### **2. RECOMMENDATIONS:**

- 2.1 That Committee notes the results of the 12 week consultation undertaken regarding the proposed transfer of SPFT Shared Lives to the In-House scheme
- 2.2 That Committee agrees the transfer of SPFT Shared Lives to The In-House scheme

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

- 3.1. Brighton & Hove Adult Social Care personalisation agenda aims to give people greater choice and control. Shared Lives is a model of adult placements with the required flexibility to offer personalised services. Shared Lives schemes recruit, assess and support carers who offer accommodation or care and support in their family home to people who are unable to live independently. As a result, users are given the opportunity to remain in the community in a family environment, developing their independence and confidence in daily living. (See Appendix 1: Shared Lives Schemes in the city)
- 3.2 Shared Lives follows national guidance presented in *Putting People First (2007)*, *The Care and Support White Paper (2012)* and *Caring for our Future (2012)*. This guidance focuses on people's wellbeing and the quality of the support offered to stay independent for as long as possible, ensuring services are of high quality

and safe. The above guidance also stimulates the development of initiatives that help people share their time, talents and skills with others in their community.

- 3.3 Adult Social Care commissioners in the City Council have recently considered the expansion to Shared Lives across all care groups. This in part has been related to offering improved outcomes for service users, preventing premature admission to residential care, promoting choice and independence, in addition to the fiscal need to provide realistic alternatives to residential care

### 3.4 **SPFT Shared Lives**

- 3.4.1 SPFT Shared Lives is funded by the Mental Health Community Care Budget and managed by SPFT. It supports sixteen Mental Health service users. The service is delivered by six carers.

This scheme is a historical arrangement which was inherited by SPFT following the amalgamation of South Downs NHS Trust in 2006. It was registered with the Care Quality Commissioning as a Shared Lives provider three years ago.

- 3.4.2 The SPFT Shared Lives scheme is not part of the S.75 Partnership Agreement with the Trust and is not under any formal contractual arrangement. The scheme is currently delivered by SPFT employees on top of their core roles in the Trust at no additional cost. Although the scheme is being maintained, supervised, and reviewed under this arrangement it is not being developed and the absence of dedicated contracted employees and a contract framework pose a risk for both carers and service users as support might not be always available.

### 3.5 **Consultation**

- 3.5.1 Following permission granted by The Adult Care & Health Committee on the 20<sup>th</sup> of January 2014, a 12 week consultation process has taken place. Consultation outcomes have been positive and supportive of the transfer of SPFT Shared Lives. (See appendix 2: Consultation report, Appendix 3: Consultation schedule and Appendix 4: Sample letters to service users, relatives and carers)

- 3.5.2 Stakeholders raised the following questions:

A **Service Users:** Questions were raised about whether the transfer would imply service users being moved to a different type of accommodation or a change in their benefits. Service users were reassured this would not be the case as the transfer would be solely of the scheme management.

B **Carers:**

Professional support during the transfer: Carers were concerned about the support they would receive during the transfer to the In-House scheme

Agreed actions:

- A group presentation with the In-House staff will take place, followed by individual introduction meetings with allocated Shared Lives officers.
- A final carer review with both the allocated SPFT and the new In-House Shared Lives Officers will take place with each carer before the transfer. During this period the terms of the arrangement with the carer will be settled and formally recorded in a written agreement.

- Carers' three monthly supervisions and bi-annual meetings will carry on as normal based on the agreed terms and the guidance referred to in 3.2 above.
- A transfer period of 3-4 months will take place. During this time SPFT Shared Lives will be supporting their In-House colleagues to ensure the transition is carried out in a smooth way.

#### Institutionalisation of SPFT Shared Lives

Carers were concerned the transfer to the In-House scheme would imply overregulation

It was explained to carers that both schemes are registered with the CQC and as such they follow the same standards; therefore, there will not be major changes in how things are being done.

#### **C SPFT and In-House staff:**

Concerns about time scales for the transfer, training and In-House staff structure were pointed out during consultation.

Agreed actions:

- Both schemes agreed a transfer period of 3-4 months will be needed. Details about time scales will be discussed and negotiated following Committee decision
- Training regarding Mental Health and historical information about SPFT Shared Lives will be offered to the In-House scheme by SPFT
- Both schemes agreed the transfer of carers and service users to In-House will take place only when the In-House scheme has the staff structure to absorb it.

### **3.6 Financial Impact**

3.6.1 Shared Lives costs funded by the Community Care Budget are formed by the care component of the Shared Lives placement and by a 'management fee'.

The 'management fee' is used by providers towards payments of Shared Lives Officers' wages – Shared Lives Officers recruit and support carers / place service users.

SPFT Shared Lives has no direct costs towards staff wages due to the scheme contractual position described above. SPFT Shared Lives, consequently, does not charge any management fee.

3.6.2 Shared Lives In-House currently has a management fee of £53 per person per week to contribute to the costs of Shared Lives Officers. The scheme has agreed to absorb the costs of the management of the SPFT Shared Lives 16 service users, which avoids an additional cost against the Mental Health Community Care Budget of £0.044m per year.

3.6.3 It is proposed that payment rates to SPFT Shared Lives carers (fixed rate system) will be maintained for an interim period of two years in order to sustain the progressive harmonisation with the payment rates sponsored by the In-House scheme (banding system).

### **3.7 Staff implications**

3.7.1 Transfer to the In-House scheme will enable the Council to establish a contractual framework to SPFT Shared Lives and provide on-going support to carers and

service users from dedicated Shared Lives Officers. The transfer of the scheme to the Council is not considered to be a relevant transfer for the purposes of the TUPE (Transfer of Undertakings Protection of Employment Regulations), due to the way in which the work is organised at SPFT. Consequently it is not anticipated that any SPFT staff will transfer to the Council.

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

Transfer to In-House has been ascertained following legal and procurement advice as the most suitable option due to offering value for money and a better use of resources.

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

See 3.5 above

#### **6. CONCLUSION**

- 6.1 The transfer of SPFT Shared Lives to the In-House scheme would ensure the continuity of the service for SPFT Shared Lives carers and service users, the strengthening of the In-House Scheme and it will guarantee key support for the overall development of Shared Lives for people with Mental Health needs.
- 6.2 One Third of Mental Health placements are occupied because of lack of alternatives in the community. Promoting the development of Shared Lives in Mental Health will eventually increase accommodation options in the community, relieving pressure on residential placements

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

##### Financial Implications:

- 7.1 The 2014-15 net budget for Shared Lives In-House is £0.078m, which includes funding to support the transfer of SPFT Shared Lives.

*Finance Officer Consulted: Name Anne Silley*

*Date: 15/05/14*

##### Legal Implications:

- 7.2 In accordance with the Constitution of the Council Policy & Resources Committee has the power delegated to it to make the decision recommended by this Report. The rationale behind Shared Lives Schemes is comprehensively described in the body of this Report.
- 7.3 In the absence of a formal contract with SPFT, the Council has discretion to transfer the management of the scheme as proposed. Neither the procurement rules or the Council's contract standing orders apply where work is being brought in house. The transfer will provide an opportunity for the Council to formalise the

arrangements with individual carers. The TUPE implications are addressed in the body of the report

*Lawyers Consulted: Sandra O' Brian & Jill Whittaker Date: 13/05/14*

Equalities Implications:

7.4 An Equality Impact Assessment has been completed

Sustainability Implications:

7.2 None

Any Other Significant Implications:

7.3 None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Shared Lives Schemes in the city
2. Consultation Report
3. Consultation schedule
4. Sample letters to service users, relatives and carers

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

None

### **Background Documents**

None

### **Crime & Disorder Implications:**

None

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

None

### **Public Health Implications:**

None

### **Corporate / Citywide Implications:**

Approval of a transfer of SPFT Shared Lives to the In-House scheme would support further development of Shared Lives in Mental Health. This will eventually have a positive impact on relieving pressure on Mental Health residential placements

### **Appendix 1 Shared Lives provision in Brighton & Hove**

<b>Providers</b>	<b>Client group supported</b>	<b>Number of carers &amp; service users supported</b>	<b>Staff Structure</b>	<b>Contractual Framework</b>
<b>Brighton &amp; Hove Shared Lives (In-House)</b>	Learning Disabilities	26 carers. 44 service users	1 x Manager supporting the scheme one day a week (no contracted hours)  3 x part-time Shared Lives Officers.	Service Level agreement
<b>SPFT Shared Lives</b>	Mental Health	6 carers 16 service users	1 x Shared Lives Officer (No contractual Framework)	No contractual framework - Managed by SPFT
<b>Grace Eyre Foundation</b>	Learning Disabilities & Mental Health	22 Carers 34 Service Users	1 x Manager (full time – for Brighton & Hove and East Sussex)  1x Senior Shared Lives Officer (FT) 1x Senior Shared lives Officer (PT – 0.25)  1x Shared Lives Officer (FT)	Rolling Contract with ASC  Fixed Subsidy contract with Supporting People due to expire March 2015 (130 K for 9 Places )





## Appendix 3

### Consultation of the transfer of SPFT Shared Lives to Brighton & Hove Shared Lives (In-house)

Following permission granted by Committee on the 20<sup>th</sup> of January 2014. Relevant stakeholders were consulted about the proposed transfer of SPFT Shared Lives.

#### Methodology

Consultation begun on the 10<sup>th</sup> of February 2014 for 12 weeks, concluding on the 1<sup>st</sup> of May 2014 and it followed guidance from the Community Engagement Framework.

Stakeholders consulted were: SPFT Shared Lives Carers (6 x carer), SPFT Shared Lives Service Users (16 x service user), staff at SPFT Shared Lives (1 x manager and 1 x Shared Lives officer) and staff at the In-House scheme (1 x manager and 3 x Shared Lives officer).

During the consultation, gathering of relevant quantitative and qualitative data took place using the following techniques: questionnaires to carers, service users and to the staff of both the SPFT Shared Lives and the In-House schemes; semi-structured individual interviews with each carer and service user; different focus groups with Shared Lives officers, carers and with service users; and feedback sessions to stakeholders.

Consultation schedule      —————>      See Appendix 4

#### ▼ Service users

Consultation to service users took place through written questions and individual and group meetings. The possibility of a focus group was declined by most of service users, this was therefore cancelled

A letter with information regarding the transfer and a number of written questions was handed to each service user in person. The text of the letter was edited by SPFT Shared Lives staff in order to free it from any jargon or element that could make its comprehension difficult. A pre-paid envelop was enclosed within each letter to facilitate service users posting his answers and/or any other thoughts regarding the transfer. 5 service users communicated their views on writing.

Individual and group meetings took place in each of the 6 Shared Lives family units. In some units it was decided to have only a group meeting as individual meetings could trigger anxiety on service users. 3 service users decided not to engage at any stage of the Consultation

When service users chose not to participate on the consultation it was agreed they would have the opportunity to express their thoughts via their carer or via a letter if they wished to do so.

When relevant and following service users' wishes, a letter explaining the proposed transfer of SPFT Shared Lives was sent to their family / advocate.

Sample letter to service users —————> See Appendix 5

Sample letter to relatives —————> See Appendix 5

#### ∇ **Carers**

SPFT Shared Lives carers were informed of the proposed transfer in person (by a Shared Lives officer) and consulted via questions in a letter, individual meetings and a focus group session. Overall written feedback with a summary of points discussed and agreed was sent to each carer after the focus group session

SPFT Shared Lives carers received a letter with a set of attached questions and a pre-paid envelop to send their answers. 2 carers responded in writing to the questions posed, 4 chose not to use this method.

Letter and questions to carers —————> See Appendix 5

Each of the 6 Shared Lives carers was met individually at their homes. In one occasion a secondary carer joined the meeting. Meetings lasted an average of an hour and a half.

Discussions were based on the previous set of questions sent to carers, exchange of information and the sharing of opinions regarding the proposed transfer. Following individual meetings, a focus group session was arranged with all carers.

A letter with feedback obtained following the focus group was sent to each carer.

#### ∇ **SPFT and In-House Shared Lives staff**

Both schemes were consulted via individual meetings, group/focus meetings with each scheme, and a group/focus meeting with both schemes together. Some of the staff members in both schemes chose to communicate their individual views via email rather than in one to one interviews

## **Feedback**

#### ∇ **Service Users**

Service users' main concern was the stability and continuity of their current placement and of their benefits. Change in the management of the scheme was of interest to them as long as it could affect their day to day life.

No obstacles/ issues for the transfer were highlighted by any service user and no comments or ideas to facilitate it were expressed

#### ∇ **Carers**

Information gathered from carers is divided in the two sections below: 'Views on the transfer' and 'Concerns expressed'

### Views on the transfer:

**The overall analysis stated by each carer was positive.**

**The transfer was perceived as an acknowledgment to the carers' work and to the intrinsic value of Shared Lives.**

Carers were aware the Council is intending to grow Shared Lives in the city and they affirmed feeling thrilled about being part of it. Carers stated they are looking forwards to the possibility of making a positive contribution to the In-House scheme. They would like to meet the In-House carers and officers, learn about their experience with Shared Lives and at the same time share their own knowledge with them.

### **Fees and Income**

SPFT Shared Lives carers were informed the proposal to transfer to the In-House scheme will include a clause regarding fees. This clause will state carers will continue being paid the same amount they currently receive for two years after the transfer takes place.

During this time service users' needs will be reviewed after which they will be allocated to their corresponding banding. After two years, SPFT SL carers will be paid following the banding system. This might mean more or less income depending on each case

The above will be only applied to current service users. Any new service user will be allocated within the In-House banding system.

Carers were positive about this. One carer stated this would allow an accurate reflection - on monetary terms - of the complexity of service users

At the moment SPFT carers receive a unique amount per service user. This view was shared and agreed by all other carers during the focus group session

### **Professional and personal development**

Two of the carers expressed their view of the transfer as an opportunity for their professional and personal development.

### Concerns expressed:

#### **How will I be supported?**

All SPFT SL carers expressed concerns about the support they would receive during and after the transfer of the scheme.

During the focus group carers discussed that if the transfer is agreed it would be convenient to arrange a group presentation with the In-House staff and this to be followed by individual introduction meetings with allocated Shared Lives officers. A final carer review with both the allocated SPFT and the new In-House Shared Lives Officers would also take place before the transfer.

During consultation it was discussed that there would be a transfer period of 3-4 months in which SPFT Shared Lives would be supporting their In-House colleagues to ensure the transition is carried out in a smooth way.

Cares were assured their three monthly supervisions would carry on as normal and that Carer's meetings would take place every 6 months.

#### **Fear to the unknown**

Carers shared the anxiety the proposed change in the management of the scheme has triggered in some of their service users.

Carers were assured current placements will not be affected by the management transfer. Carers were explained the different parts of the consultation process that

involve service users and were asked for their opinion about its structure and how it could be made more person-centred.

Carers were instrumental in making sure service users and relatives/advocates received information regarding the proposed transfer. Following their guidance, some of the service users were met in group rather than individually.

### **Am I going to become 'institutionalised' / Overregulation?**

4 carers were concerned the transfer to the In-House scheme would imply somebody coming to their homes and telling them what to do (imposing a particular way of doing things).

During the individual interviews and the focus group it was discussed that both schemes are registered with the CQC and as such they follow the same standards; therefore, there would not be major changes in how things are being done. It was also discussed the In-House staff would need to ask carers questions in order to have a clear idea about the support delivered and to ensure all paper work is being done correctly. This would be also an opportunity for carers to ask questions to the In-House scheme, share their ideas regarding care deliverance and an overall chance to build rapport between the In-House Shared Lives officers and the carers. Carers agreed about the need to ask questions and share information in order to ensure Shared Lives follows local and national guidance. It was highlighted by two carers that this would also ensure coherence in the delivery of support.

During each individual interview it was briefly examined each carer's ways of delivering support. The variety found was acknowledged by carers as one of the main strengths in the Shared Lives provision.

### ▼ **SPFT staff**

The most valued aspect of the scheme highlighted by SPFT staff was the knowledge and experience of carers regarding mental health. Shared Lives staff considered carers to be flexible, adaptable and resilient. Carers were also described as caring and willing to go that extra mile that makes a difference in the lives of service users.

As potential challenges regarding the transfer, it was highlighted the following:

- Potential anxiety from the carers towards the **banding system** of the In-house scheme
- The fact that SPFT Shared Lives is a small scheme and it is to certain degree isolated. Carers do not have connection to other professional network. The transfer could in that regard involve a **culture shock**.  
It was mentioned that if Committee agrees for the transfer, it would be helpful if besides introductions the In-House scheme could prepare a presentation for carers about their service and how it is run. This would help reducing levels of anxiety and smoothing any culture shock for the carers
- It was also discussed the need to establish new links to mental health support so to have a **clear point of contact for service users**.  
It was agreed that a flowchart with each Service User connection with a mental health coordinator (care manager, social worker, consultant, etc) would be done in order to ensure clear points of contact.

Positives of the transfer:

- Carers possibility of networking and having more support (e.g. training, talks)

- Carers support informally each other and this can set a new template to Shared Lives In-house where this informal support takes place but in not such a scale as in SPFT.

#### Discussion about the handover

- Training regarding mental Health will be offered to the In-House scheme
- Historical information about the SPFT Shared Lives scheme will be given to the In-House scheme. Details of carer's style of deliverance of care will be discussed once Committee has approved the proposed transfer and individual presentations between carers and In-House staff have been done. This is to avoid any bias preconception towards any carer

#### ∇ **In-House Shared Lives staff**

As potential challenges, the following were ascertained

- Supporting a new service group will bring challenges as staff will need to be updated about Mental Health structures, systems, procedures, etc. It was discussed the need for the In-House to have a clear reference regarding each **service user's professional support**. In-House will also need to understand the funding process
- Shared Lives officers are aware the transfer can be successful only if a new member of the staff is recruited and trained before it takes place. **A new staff structure** within the In-House service needs to be ascertained and implemented before the transfer begins; otherwise the transfer would not be feasible as other responsibilities such as support to current In-House carers, referrals, reviews and overall workload cannot be neglected.
- **Administrative coherence**. In-House will need to adapt their forms and procedures to include Mental Health.
- A discussion took place about SPFT carers' potential expectations and concerns regarding the In-House scheme. In-House is happy to carry out a presentation of how their scheme functions. They also discussed the possibility of bringing one or two In-House carers with them when being introduced to the six SPFT carers
- The In-House scheme would like to have an insight about the different documents used by SPFT Shared Lives. Shared Lives officers are aware both schemes are registered with the CQC and therefore follow the same outcomes. Having said this, they would like to have an opportunity to look at templates of care plans, risk assessments, financial recording, and any other relevant document. This will give them an insight so to review their own documents and to ascertain how the SPFT scheme operates and different levels of paperwork

#### Positives of the transfer

- It was highlighted as the main positive the fact that the transfer has triggered an **upfront investment to recruit a new Shared Lives manager**. This investment is now independent from the transfer and agreed for the overall expansion of the scheme.  
A new member of the staff would bring more mobility and capacity to the team, it would strengthen the scheme
- It was discussed the positive impact that the scheme will experience by supporting a new service user's group. The transfer of SPFT Shared Lives will give In-House the opportunity to increase their knowledge, skills and

flexibility, to liaise with professionals from Mental Health and to understand the structure of Mental Health services.

- Another positive effect is that In-House will have an opportunity to evaluate their current working practice and to add knowledge and experience from SPFT Shared Lives staff to current procedures
- In-House staff also noted the potential benefits of supporting the 6 SPFT Shared Lives carers. These carers are already well established and their impact can be very positive for both staff and In-House carers.

#### Discussion about the handover

- Realistic expectations regarding **time scales** need to be negotiated and ascertained by both schemes following Committee decision. The In-House scheme is aware rapport and trust are to be built with the SPFT carers and service users and this will take some time to consolidate. In-House would appreciate if the transfer is done during a period of 3 or 4 months so they can refer back to the SPFT Shared Lives staff with any query.
- During the month of June the In-House scheme will be relocated from Denmark Villas to Bartholomew House. The scheme will also go paper free. This poses a major challenge in itself and will have a direct effect in the handover process
- In-House would like to make sure a final carer review will take place before the transfer so to have updated information regarding carers. This will add valuable information to any presentation, introduction and verbal handover that might take place

### Appendix 4 Consultation Calendar

Week No.	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6
<b>Stakeholders</b>	10 <sup>th</sup> February'14 - 14 <sup>th</sup> February'14	17 <sup>th</sup> February'14 - 21 <sup>st</sup> February'14	24 <sup>th</sup> February'14 - 28 <sup>th</sup> February'14	3 <sup>rd</sup> March'14 – 7 <sup>th</sup> March'14	10 <sup>th</sup> March'14 – 14 <sup>th</sup> March'14	17 <sup>th</sup> March'14 – 21 <sup>st</sup> March'14
<b>SPFT Shared Lives Service Users</b>			Hand in person letter to service users informing about the proposed transfer + questions + suggested date/s to meet individually ( <i>Questionnaire</i> ) Copy of the letter to be sent to advocate/next of kin when suitable		Meeting service users (and relative /advocate) individually ( <i>semi-structured interviews</i> )	
<b>SPFT Shared Lives Carers</b>	Letter informing about the proposed transfer + questions + suggested date/dates to meet individually ( <i>Questionnaire</i> )		Meeting carers individually ( <i>semi-structured interviews</i> )		Focus Group with Carers (Give feedback re. individual meetings and questions / get any new opinion) ( <i>Focus group-Feedback session</i> )	
<b>SPFT Shared Lives Staff</b>	Meeting SPFT staff in order to ascertain best ways for consultation, any impact of the transfer, and potential handover structure ( <i>Focus group</i> )		Meeting SPFT staff individually. ( <i>semi-structured interviews</i> ) There is the possibility of having questions sent and replied via email instead		Meeting with both SPFT SL and In-House ( <i>Focus Group- Feedback Session</i> )	
<b>Brighton &amp; Hove Shared Lives Staff (In-House)</b>	Meeting In-House staff to ascertain any potential impact of the transfer, and potential handover structure ( <i>Focus group</i> )		Meeting In-House staff individually ( <i>semi-structured interviews</i> ) There is the possibility of having questions sent and replied via email instead			

<b>Week No.</b>	<b>Week 7</b>	<b>Week 8</b>	<b>Week 9</b>	<b>Week 10</b>	<b>Week 11</b>	<b>Week 12</b>
<b>Stakeholders</b>	24 <sup>th</sup> March'14 - 28 <sup>th</sup> March '14	31 <sup>st</sup> March'14 – 4 <sup>th</sup> April'14	7 <sup>th</sup> April'14 - 11 <sup>th</sup> April'14	14 <sup>th</sup> April'14 – 18 <sup>th</sup> April'14	21 <sup>st</sup> April'14 – 25 <sup>th</sup> April'14	28 <sup>th</sup> April'14 – 1 <sup>st</sup> May'14
<b>SPFT Shared Lives Service Users</b>	Meeting service users (and relative /advocate) individually ( <i>semi-structured interviews</i> )	Meeting service users (and relative /advocate) individually ( <i>semi-structured interviews</i> )	Focus Group with Service Users (Give feedback re. individual meetings and questions / get any new opinion)	Final feedback to be sent to Service Users	Period open for further contact if necessary or requested by service users and/or advocates	
<b>SPFT Shared Lives Carers</b>			Final feedback to be sent to Carers	Period open for further contact if necessary or requested by carers		
<b>SPFT Shared Lives Staff</b>		Final feedback to be sent to SPFT SL and In-House	Period open for further contact if necessary or requested. Possibility of a second meeting between SPFT and In-House staff			
<b>Brighton &amp; Hove Shared Lives staff</b>						



## Appendix 5 Sample of Letters

- **Sample Letter to Service Users**

Date as post mark

Dear (name of service user)

There are going to be some changes with the management of the Shared Lives Scheme.

This will not affect your day to day life too much as the changes are about who your carer is supported by. You will continue living where you are with the same carer.

Currently your carer is supported by staff from Sussex Partnership NHS Foundation Trust and there is a proposal to transfer the support to staff from the In-House Shared Lives Scheme provided by Brighton & Hove City Council.

Russell Warrior and Abi Rogers come to your home periodically to meet with you and your carer. If the changes take place those visits will gradually come to an end and staff from the In-House Shared Lives Team will be visiting your home and carer instead.

This proposed change is currently subject to a **Consultation** period. This means we are required to ensure we have sought the opinions of the people who live and work in the Shared Lives Scheme.

Therefore I want to ask you a few questions regarding your experience of where you live and the support and care you receive.

This is so that if we hand over the Shared Lives Scheme to Brighton & Hove City Council we are able to share your views, experiences and wishes with them. Your opinion is important and I hope you will take this opportunity to make your views known.

- Can you tell about what you like most of all in your Shared Lives Home?
- Can you think of any way that we could improve your Shared Lives Home?
- How would you like us to communicate to you about any of the changes regarding Shared Lives Scheme?

Attached to this letter there is a pre-paid envelop you can use to post your answers or any other thoughts you might have about the transfer.

If you would prefer we can come and visit you so you can talk through your responses to the questions above.

You carer can contact me and Russell about organising a time and date.

### **Further Consultation**

- A group meeting with you and other SPFT Shared Lives Scheme users will take place to give you feedback about the interviews, to highlight main concerns and risks, and to look together for solutions  
**Date and Venue to be confirmed**

Attendance to this meeting is not obligatory. If you prefer you can talk to your carer and let her know your thoughts. Your carer will then pass your opinions to us.

- Written feedback following the group meeting will be sent to you. This will be followed by a period of time in which further comments can be made.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'David', enclosed within a large, loopy, scribbled-out shape.

David Peña-Charlón  
**Shared Lives Project Manager**  
**Commissioning & Partnerships Team**  
Brighton & Hove City Council

- **Sample Letter to relatives**

Dear (name of relatives)

**Re. Name of service user**

Brighton & Hove Local Authority is working towards the development and expansion of Shared Lives in the city. Shared Lives is view as a dynamic, flexible and positive model and the Council is committed to support it in order to increase its profile.

As part of these plans a proposal to transfer SPFT Shared Lives to the Brighton & Hove City Council's In-House scheme will be discussed by Committee in June. Prior to this discussion a Consultation process is to take place during 12 weeks (from the 10<sup>th</sup> of February to the 1<sup>st</sup> of May)

Please, note that the transfer would be solely of the management of the scheme. Each placement will remain as it is. There is no intention to change current accommodation arrangements. This means (name of service user) will remain in his current placement supported by (name of carer)

**Consultation**

The Consultation process aims to ensure that carers, service users, family and members of the staff have an opportunity to raise questions and discuss concerns and ideas about how they would like the proposed transfer to take place. It will also serve as a way to give you all relevant information.

If you would like to make any comment or would like more information regarding the transfer of management of the Shared Lives scheme please contact Russell Warrior (SPFT Shared Lives Officer) on 01273 242240 x 3665 or [russell.warrior@sussexpartnership.nhs.uk](mailto:russell.warrior@sussexpartnership.nhs.uk)

Yours Sincerely,



David Peña-Charlón  
**Shared Lives Project Manager**  
**Commissioning & Partnerships Team**  
Brighton & Hove City Council



- **Sample Letter and Questions to Carers**

Date as post mark

Dear (name of carer)

Brighton & Hove Local Authority is working towards the development and expansion of Shared Lives in the city. Shared Lives is view as a dynamic, flexible and positive model and the Council is committed to support it in order to increase its profile.

As part of these plans a proposal to transfer SPFT Shared Lives to the Brighton & Hove City Council's In-House scheme will be discussed by Committee in June. Prior to this discussion a Consultation process is to take place during 12 weeks (from the 10<sup>th</sup> of February to the 1<sup>st</sup> of May)

Please, note that the transfer would be solely of the management of the scheme. Each placement will remain as it is. There is no intention to change current accommodation arrangements.

### **Consultation**

The Consultation process aims to ensure that carers, service users and members of the staff have an opportunity to raise questions and discuss concerns and ideas about how they would like the proposed transfer to take place. It will also serve as a way to give you all relevant information.

I would like to highlight that the Consultation process is a tool to be used to work together, to share opinions and views, to identify risks and work towards agreed solutions. Your opinion is important and I trust you will take this opportunity to make your views known.

During the 12 weeks consultation the following will take place:

- A set of questions attached to this letter is to be completed by each carer – if the carer wishes to do so – and returned in the enclosed pre-paid envelop as soon as possible.
- An individual interview will be arranged in order to discuss your answers to the abovementioned questions and to look at any other concerns you may have. We will also use this opportunity to hand a similar letter to this one to any service user/s under your care.

The date and time proposed for the interview at your own home is  
**(Date and time)**

If this is still a suitable arrangement you need take no further action and we will see you at this time. If you would like to make an alternative arrangement please contact Russell Warrior on 01273 242240 x 3665.

- A group meeting with you and other SPFT Shared Lives carers will take place to give you feedback about the interviews, to highlight main concerns and risks, and to look together for solutions.

**Proposed date 17<sup>th</sup> of March at 11 am - Venue to be confirmed**

Please, let Russell Warrior know whether this date and time is suitable for you.

- Written feedback following the group meeting will be sent to you. This will be followed by a period of time in which to reflect and further questions or concerns can be raised.

Yours Sincerely,



David Pena-Charlon  
**Shared Lives Project Manager**  
**Commissioning & Partnerships Team**  
Brighton & Hove City Council

## Questions

***What are the aspects of the SPFT Shared Lives service you most value?***

***How would you like to be supported during the transfer from SPFT Shared Lives to the In-House scheme?***

***Describe any potential issue the transfer might present to you***

***Describe any potential benefit the transfer might present to you***



<b>Subject:</b>	<b>Confirmation Article 4 Direction – Office to Residential</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director Environment, Development &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Helen Gregory</b>	<b>Tel: 29-2293</b>
	<b>Email:</b>	<b>Helen.gregory@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>St Peters &amp; North Laine, Regency, Queens Park, Preston Park and Hove Park</b>		

**FOR GENERAL RELEASE**

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

- 1.1 This report seeks confirmation of the article 4 direction to remove the permitted development rights for change of use from office use to residential use in the following areas of the city: Central Brighton, New England Quarter and London Road area and two key office sites Edward Street Quarter and City Park. This is the last stage in the process of making an article 4 direction as confirmation is required before an article 4 direction can come into effect.
- 1.2 This report follows on from the 30 March Policy & Resources Committee meeting where authorisation was given to amend the boundary to remove a stretch of Western Road and the Brighton Conference Centre area in response to consultation responses received during consultation held from September to November 2013. This report informs the Committee of the outcome of the consultation on the amended boundary in addition to confirmation of the Article 4 Direction.

**2. RECOMMENDATIONS:**

That the Policy and Resources Committee:

- 2.1 Notes consultation responses to the proposed amended boundary;
- 2.2 Confirms the direction under article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) made on 25 July 2013 to remove the permitted development rights for the conversion of offices (B1a Use Class) to residential use (C3 Use Class) in Central Brighton, New England Quarter and London Road area and two key office sites Edward Street Quarter and City Park and authorises officers to undertake formal notification of the confirmation.
- 2.3 Notes that the Article 4 Direction, once confirmed, will come into force on 25 July 2014.

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

- 3.1 In May 2013 the government amended permitted development rights, for a period of 3 years to allow offices to be converted to residential use without the need for planning permission. Following the resolution of the 11 July 2013 Policy & Resources Committee, Brighton & Hove City Council made a non-immediate article 4 direction that, if confirmed, would remove this permitted development right and require planning application for changes of uses of offices to residential in defined areas of the city: Central Brighton, New England Quarter and London Road area and two key office sites Edward Street Quarter and City Park.
- 3.2 Public consultation on the proposed article 4 direction was undertaken between September and November 2013 and the responses were reported at the 20 March 2014 Policy & Resources Committee. Following consideration of the responses, the Committee authorised an amendment to the direction to amend the article 4 direction area to remove the stretch of Western Road from west of Regent Hill to Holland Road along with the Brighton Conference Centre area. In accordance with the government guidance for making an article 4 direction, this material change to the direction, resulting from consultation responses, was subject to further consultation carried out between 27 March and 8 May 2014.

#### **Consultation Comments**

- 3.3 A total of 2 consultation responses were received, 1 in support and 1 objecting to the boundary of the article 4 direction and their comments are summarised below.
- 3.4 Both responses related to the retention of the Preston Road offices within the article 4 direction. The Brighton Society and the Preston & Patcham Society felt that Preston Road was unsuitable for office development and ideal for residential schemes. A resident supporting the amended article 4 direction boundary felt it was important that the area is kept as offices.
- 3.5 The inclusion of the Preston Road offices reflects the policy designation in the Submission City Plan of SA2 Central Brighton and DA4 New England Quarter and London Road Area. Within the City Plan the Preston Road offices have been identified under DA4.C.3 as a strategic allocation. The aspiration of the policy is the redevelopment of the offices for a mix of residential and office space in recognition that the area has become a secondary office location. The strategic allocation positively recognises the potential of the area towards meeting the city's housing needs and ensuring a supply of modern office floorspace. For these reasons it was considered appropriate to retain the Preston Road offices within the Article 4 Direction boundary.
- 3.6 Though only 2 responses were received, it should be noted that there was an earlier 3 month period of consultation on the article 4 direction where the views of commercial/ planning agents, members of the public, developers and businesses organisations were sought and 14 formal comments were received alongside comments made at a bespoke workshop for commercial/ planning agents, business organisations and developers. Having fully considered the



representation received during the first round of consultation and those received on the further consultation it is recommended that the article 4 direction is confirmed.

- 3.7 The aim of the article 4 direction is to effectively manage change of use applications within the selected areas of the city through the planning process in a consistent manner. This will help to protect the existing office supply that is considered of the most importance to the economic role of the city both now and in the future.
- 3.8 For existing offices in the article 4 direction area, this means that:
- planning permission will need to be sought to convert existing offices to residential use. In making a decision, the local planning authority will be able to apply the tests of redundancy for offices set out in Local Plan/ City Plan policies and consider issues such as the impact on neighbours, size of new residential accommodation, the design of the building and provision of affordable housing
  - where prior approval has already been granted or is not required to convert offices into residential, applicants must have redeveloped the office to establish residential use by 30 May 2016.

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

- 4.1 The alternative option not to confirm the article 4 direction was rejected. An article 4 direction is considered justified on the basis that the blanket introduction of permitted development rights will have a significantly harmful impact on the highest growth, highest value sectors of the city economy that are key drivers of private sector job creation. This is not considered to be offset by the positive benefits the new rights would bring in terms of delivering new housing. Whilst, currently, the permitted development right is for three years only, there is no certainty that the permitted development right will be revoked after three years.

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

- 5.1 The further consultation was carried out in accordance with the relevant legislative framework and the aims of the Community Engagement Framework and Standards to ensure the effective representations of communities in planning and decision-making.
- 5.2 As well as the statutory local advertisement and site notices, letters of notification were sent to over 350 business organisations, commercial and planning agents, architect firms and developer/ landowners from the LDF consultee database and the Local Strategic Partnership was informed. Those who had responded to the previous consultation or had attended a bespoke consultation workshop held in September 2013 were also notified. Consultation details were also published on the council's website and on the consultation portal and made available at Jubilee and Hove Libraries and Brighton and Hove Customer Service Centres. The further consultation ran from 27 March to 8 May 2014.
- 5.3 If confirmation of the Article 4 Direction is approved, the Council will undertake the necessary notification procedure.

## 6. CONCLUSION

- 6.1 Having considered the consultation responses received during the further consultation period, the council is of the opinion that the article 4 direction should be confirmed.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The costs of making the article 4 direction will be met from the existing Planning Strategy and Projects and Development Control revenue budgets. If the article 4 direction is confirmed there is likely to be a financial impact on the planning service. This is because no fee would be payable for planning applications for a change of use arising as a result of the removal of permitted development rights. A nationally set fee would be payable for the prior approval process which the DCLG estimate would cover the cost of work involved but it is not known if this would actually be the case.
- 7.2 For every new residential property created the Council will receive new Homes Bonus Grant for six years. This is based on the national average council tax for the band of property created. As an indication, this is currently £1,305 per year for Band C properties. If properties move from office to residential use there will be a switch of funding to the Council from business rates to council tax. It is not possible to quantify the overall impact of this as there are many variable factors.

Finance Officer Consulted: Jeff Coates

Date: 07/05/2014

### Legal Implications:

- 7.3 Article 4 of the Town and Country Planning (General Permitted Development) Order 1995 provides (inter alia) that where the local planning authority considers it expedient to do so a direction may be made requiring that a planning application must be submitted for development which would otherwise be "permitted development" under that Order. A direction made under article 4 is subject to consultation and, under Article 5 (9) of the Order, any representations received during consultation must be taken into account by the local planning authority in determining whether to confirm the direction. Material changes to the direction resulting from consultation will require that the direction undergoes re-consultation.

Lawyer Consulted:

Hilary Woodward

Date: 9/5/14

### Equalities Implications:

- 7.4 The article 4 direction will help to address the need to retain affordable office space within the identified areas, it will help businesses and protect jobs; and where loss of offices is considered acceptable will allow for an element of affordable housing to be secured.

Sustainability Implications:

- 7.5 Confirming an article 4 direction will help the local planning authority to manage the conversion of offices to residential in the city's primary office area and thereby help deliver the City Plan strategy for balancing housing and employment needs and ensuring sustainable economic development. By protecting businesses and jobs in the city in accessible locations it will also reduce the need to travel by car. The article 4 direction will allow issues of sustainability to be addressed through planning applications.

Corporate / Citywide Implications:

- 7.6 An unmanaged loss of office could have a substantial adverse economic consequence to the city economy in terms of business competitiveness, jobs growth, undermining investment in business space and in particular a harmful impact on burgeoning growth sectors. This is not considered to be offset by the positive benefits the new rights would bring in terms of delivering new housing.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

2. Article 4 direction including maps

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

none

### **Background Documents**

1. 20 March 2014 Policy & Resources Committee – Article 4 Direction – Office to Residential  
([http://present.brightonhove.gov.uk/Published/C00000689/M00004690/AI00038397/\\$20140310160801\\_005399\\_0022696\\_CommitteeReportTemplate040913.doc.pdf](http://present.brightonhove.gov.uk/Published/C00000689/M00004690/AI00038397/$20140310160801_005399_0022696_CommitteeReportTemplate040913.doc.pdf) )
2. 11 July 2013 Policy & Resources Committee – Removal of Permitted Development Rights Offices to Residential  
([http://present.brightonhove.gov.uk/Published/C00000689/M00004685/AI00034519/\\$20130702150021\\_004171\\_0017372\\_PolicyandResourcesReportforArticle4directionOfficetoResidential.docA.ps.pdf](http://present.brightonhove.gov.uk/Published/C00000689/M00004685/AI00034519/$20130702150021_004171_0017372_PolicyandResourcesReportforArticle4directionOfficetoResidential.docA.ps.pdf) )
3. 7 March 2013 Economic Development & Regeneration Committee Report – Application for Exemption from Office to Residential Permitted Development Rights  
([http://present.brightonhove.gov.uk/Published/C00000705/M00004042/AI00032529/\\$20130221102002\\_003545\\_0013975\\_ReportTemplateCommittee.docA.ps.pdf](http://present.brightonhove.gov.uk/Published/C00000705/M00004042/AI00032529/$20130221102002_003545_0013975_ReportTemplateCommittee.docA.ps.pdf) )
4. Request for Office to Residential Permitted Development Rights Exemption – Supporting Evidence Report for Brighton & Hove February 2013  
([http://present.brightonhove.gov.uk/Published/C00000705/M00004042/AI00032529/\\$Enc.%20%20for%20Exemption%20Application%20from%20Office%20to%20Residential%20Permitted%20Development%20Rights\\_v1.pdfA.ps.pdf](http://present.brightonhove.gov.uk/Published/C00000705/M00004042/AI00032529/$Enc.%20%20for%20Exemption%20Application%20from%20Office%20to%20Residential%20Permitted%20Development%20Rights_v1.pdfA.ps.pdf) )
5. Employment Land Study Review 2012  
([http://www.brightonhove.gov.uk/sites/brightonhove.gov.uk/files/downloads/ldf/BH\\_Employment\\_Land\\_Study\\_Review\\_Final\\_Report.pdf](http://www.brightonhove.gov.uk/sites/brightonhove.gov.uk/files/downloads/ldf/BH_Employment_Land_Study_Review_Final_Report.pdf) )

# BRIGHTON & HOVE CITY COUNCIL

## TOWN AND COUNTRY PLANNING ACT 1990

### TOWN AND COUNTRY PLANNING (GENERAL PERMITTED DEVELOPMENT) ORDER 1995 AS AMENDED

#### DIRECTION MADE UNDER ARTICLE 4(1) TO WHICH ARTICLE 5 APPLIES

WHEREAS Brighton & Hove City Council, being the appropriate local planning authority within the meaning of article 4(4) of the Town and Country Planning (General Permitted Development) Order 1995, are satisfied that it is expedient that development of the description(s) set out in the Schedule below should not be carried out on the land shown edged red on the attached plans (marked Maps 1,2 and 3), unless planning permission is granted on an application made under Part III of the Town and Country Planning Act 1990 as amended.

NOW THEREFORE the said Council in pursuance of the power conferred on them by article 4(1) of the Town and Country Planning (General Permitted Development) Order 1995 hereby direct that the permission granted by article 3 of the said Order shall not apply to development on the said land of the description(s) set out in the Schedule below:

#### SCHEDULE

Development consisting of a change of use of a building and any land within its curtilage to a use falling within Class C3 (dwellinghouses) of the Schedule to the Town and Country Planning (Use Classes) Order 1987 from a use falling within Class B1 (a) (offices) of that Schedule being development comprised within Class J of Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development) Order 1995 and not being development comprised within any other Class.

Made under the Common Seal of  
Brighton & Hove City Council  
this 25<sup>th</sup> day of July 2013

The Common Seal of the Council  
was affixed to this Direction in the presence of

ECulbert  
.....  
Authorised Officer

Confirmed under the Common Seal of  
Brighton & Hove City Council  
this .....day of.....20.....

The Common Seal of the Council  
was affixed to this Direction in the presence of

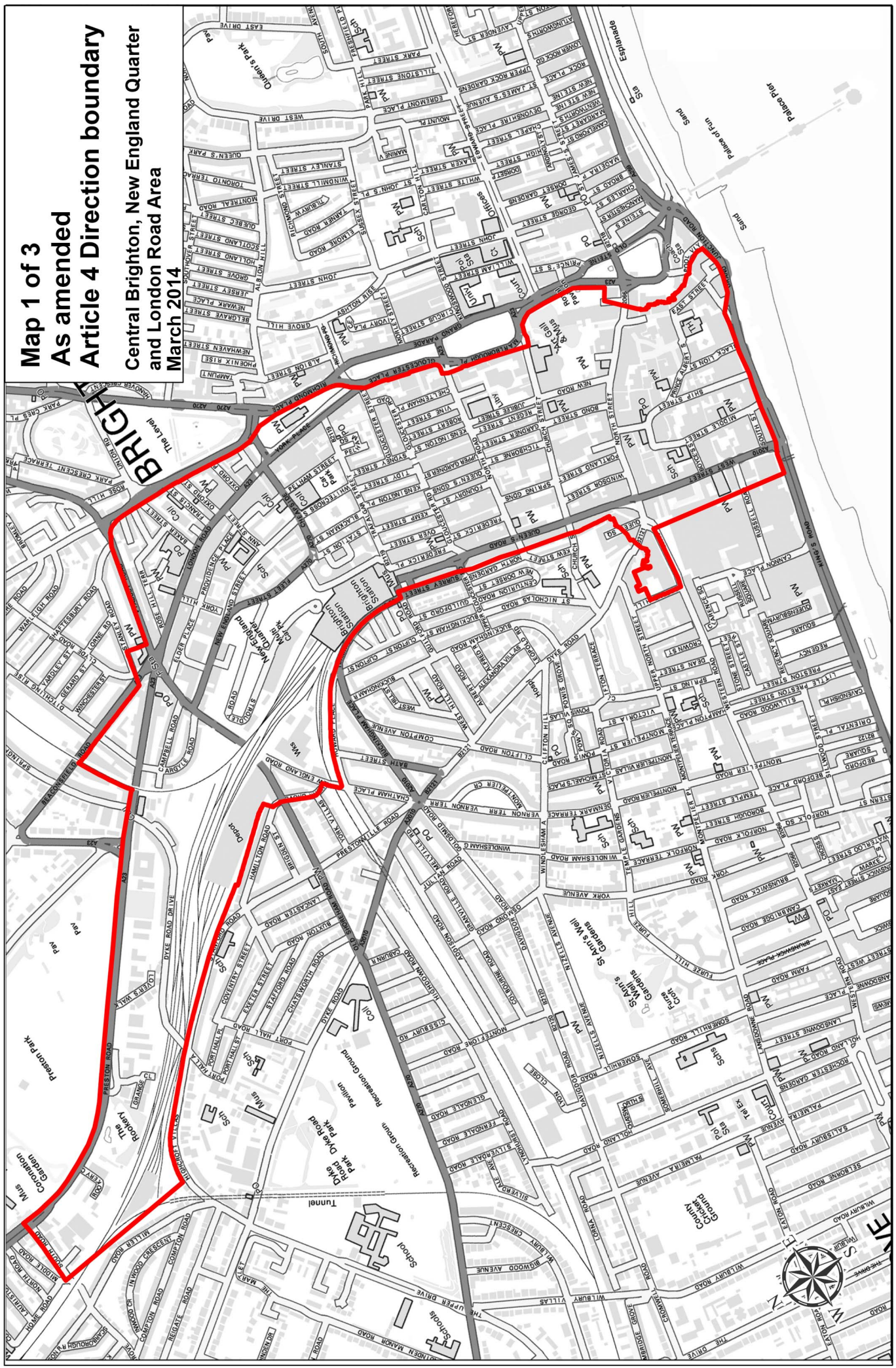
.....  
Authorised Officer







**Map 1 of 3**  
**As amended**  
**Article 4 Direction boundary**  
**Central Brighton, New England Quarter**  
**and London Road Area**  
**March 2014**



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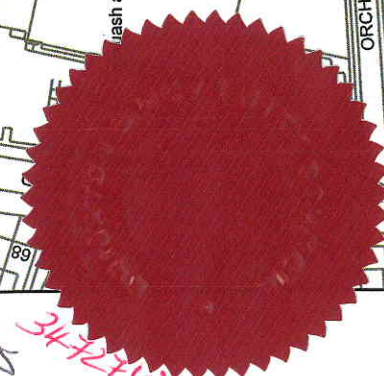
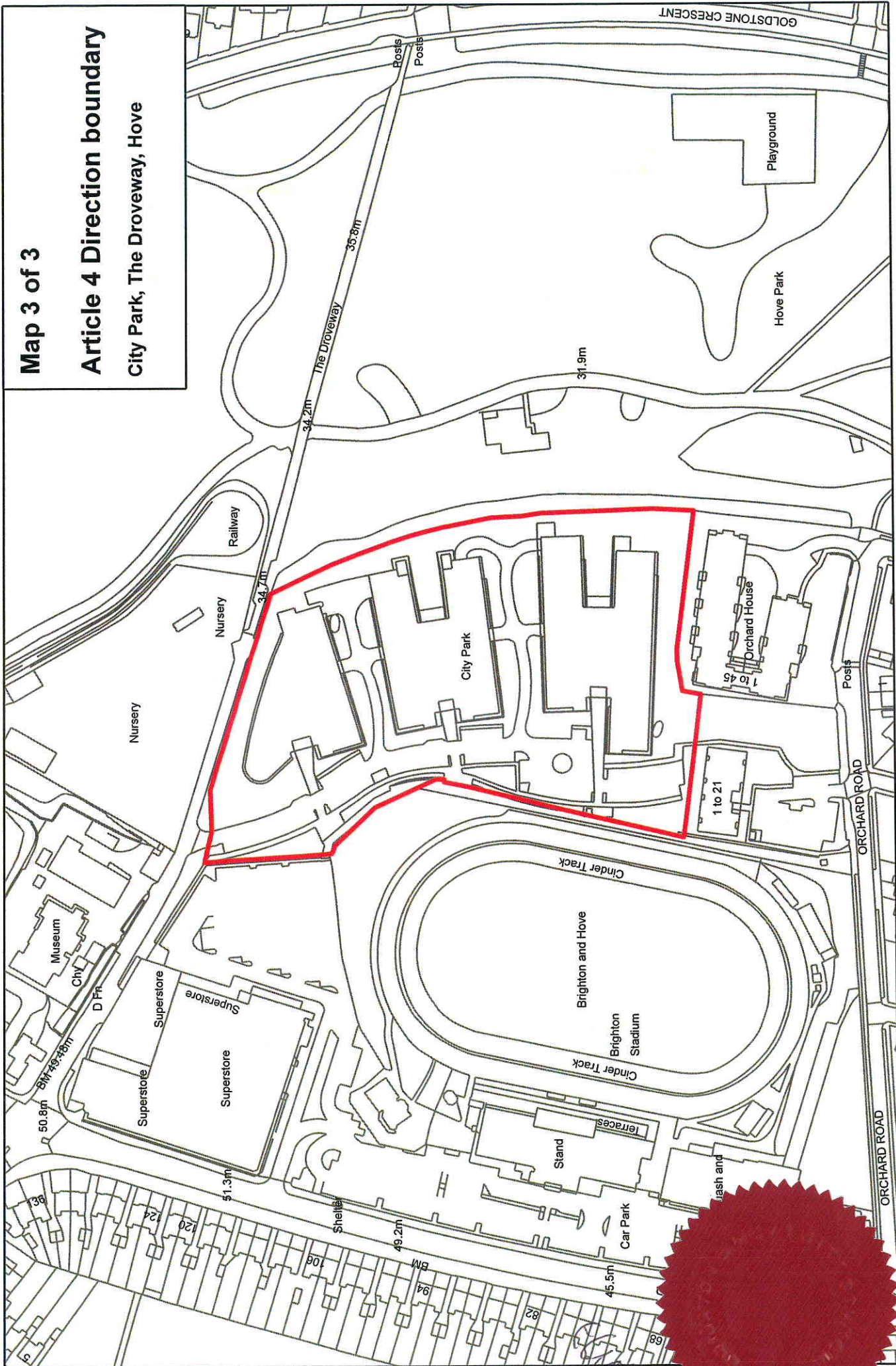




Map 3 of 3

Article 4 Direction boundary

City Park, The Droveaway, Hove





**Subject:** Hove Park Depot – Long lease to School  
**Date of Meeting:** 12<sup>th</sup> June 2014  
**Report of:** Executive Director of Finance and Resources  
**Contact Name:** Angela Dymott **Tel:** 291450  
**Officers:** [Angela.dymott@brighton-hove.gov.uk](mailto:Angela.dymott@brighton-hove.gov.uk)  
**Name:** Ralph Long **Tel:** 291442  
[Ralph.long@brighton-hove.gov.uk](mailto:Ralph.long@brighton-hove.gov.uk)  
**Ward(s) affected:** Hove Park

**FOR GENERAL RELEASE**

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

- 1.1 To advise Committee on the provision of a primary Bilingual Free School and to seek approval to the grant of a long leasehold interest at a premium.
- 1.2 The Government has a policy of promoting the provision of Free Schools and academies. Free Schools are state funded all ability schools set up in response to parental demand. As part of this policy they have run several rounds of applications for Free Schools.
- 1.3 A primary Bilingual Free School was approved by the Secretary of State for Education to open in September 2012. The school was promoted by a group of parents and teachers who share a passion for bilingualism. The bilingual school worked with experts from the Department for Education (DfE) and the Education Funding Agency (EFA) to enable it to enter into a Funding Agreement with the Secretary of State for Education in the summer of 2012.

**2. RECOMMENDATIONS:**

- 2.1 That approval be given to the disposal, subject to planning permission, of land at Hove Park Depot as shown on the attached plan, on a 125 year lease at a peppercorn to the Bilingual Free School for the capital receipt identified in the confidential appendix to this report.
- 2.2 That the detailed terms of the lease shall be settled by the Head of Property & Design and the Head of Law, in consultation (as appropriate) with the Executive Director of Children's Services. and that the Head of Law is authorised to complete all of the necessary documentation.

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

- 3.1 The Hove Park Depot site is located at the north western end of Hove Park adjoining Drove Road and close to the junction with Nevill Road as shown edged red on the plan in Appendix 1. The site is approximately 0.73 hectares (1.8 acres) and is broadly level at the northern end with the land sloping upwards towards the Drove Road. It is currently under utilised and only has a few Parks vehicles and trailers stored in garages with a staff mess room in the eastern corner and an electricity sub station in the southern corner. The mess hut will be excluded from the long lease to the Bilingual Free School. The site adjoins the listed Engineerium to the west and is part of the Engineerium Conservation Area. The Hove Park depot is a brown field site which has previously been considered as a site for a bowls facility and as a site for a council maintained school.
- 3.2 Officers are currently undertaking a search to identify an alternative site for the relocation of the parks stores and garages in the west of the city.
- 3.3 The school worked hard with the EFA and the council to locate a suitable site on which to open in September 2012. Unfortunately there was no suitable site available at the time which could offer the school the first class location and facilities that they were looking for.
- 3.4 The Brighton Aldridge Community Academy (BACA) opened its brand new £25million state of the art school building in September 2011. The bilingual school and the EFA approached BACA to establish if BACA would be willing to offer part of their site to the Bilingual Free School on a temporary basis until a suitable permanent site could be found.
- 3.5 BACA was able to offer the school space to allow them to operate completely independently, including their own dedicated reception area. The temporary arrangement was put in place for a period of three years from September 2012. This allowed the school the time to continue their search for a suitable site. The only site it has been able to identify which is capable of providing the accommodation required and is acceptable to the Bilingual Free School is the Hove Park Depot site.
- 3.6 Consultants for the Bilingual Free School submitted an initial planning application for a 3 storey 3 form entry primary school on the site in June 2013. The planners considered that the height would obscure the views of the adjoining listed Engineerium. A revised planning application submitted in March 2014 reduces the height of the proposed buildings to 2 storeys to alleviate this issue.

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

- 4.1 The DfE have been unable to find a suitable site for the Free School in the west part of the city which is why the school entered into the temporary arrangement of operating from the premises of BACA whilst their search continued. There are currently no other sites available in the city that could be used for the Bilingual Free School.

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

- 5.1 The planning advisors for the Bilingual Free School have undertaken pre-application consultation with the public on the revised scheme for the school. As part of the planning process the statutory consultations will be undertaken by the planning officers. Consultations were undertaken internally with Education, Finance, Legal and Environment.

## **6. CONCLUSION**

- 6.1 The recommendation is to grant a 125 year lease at a peppercorn to the Bilingual Free School for a capital receipt.
- 6.2 The provision of the Bilingual Free School will fulfil the government's policy to provide Free Schools where there is a demand.

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

### Financial Implications:

- 7.1 Hove Park Depot will be disposed of on a 125-year lease at a peppercorn with a capital receipt for the Council subject to planning consent. The capital receipt will be used to support the Council's corporate capital investment strategy for future years.

There are some costs associated with the running of the site including utilities and security, however, any costs associated with relocating of existing equipment at the Depot will need to be met from existing revenue budgets. The capital cost of any new garage/store that may be required would be deducted from the capital receipt subject to a cost analysis exercise.

*Finance Officer Consulted: Rob Allen*

*Date: 6 May 2014*

### Legal Implications:

- 7.2 The depot is not open space and therefore the standard s.123 Local Government Act 1972 provisions in respect of there being a requirement for the council to achieve best consideration in respect of the lease, subject to the terms of the General Disposal Consent (England) 2003, apply. Further information is set out in the Part II appendix.

*Lawyer Consulted: Bob Bruce Date: 6<sup>th</sup> May 2014*

### Equalities Implications:

- 7.3 Provision of a Bilingual Free School will broaden the range of educational opportunities available to young persons within the city.

### Sustainability Implications:

- 7.4 Development of the Hove Park Depot Site will allow an underutilised brown field site to be developed to its full potential

Any Other Significant Implications

None

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

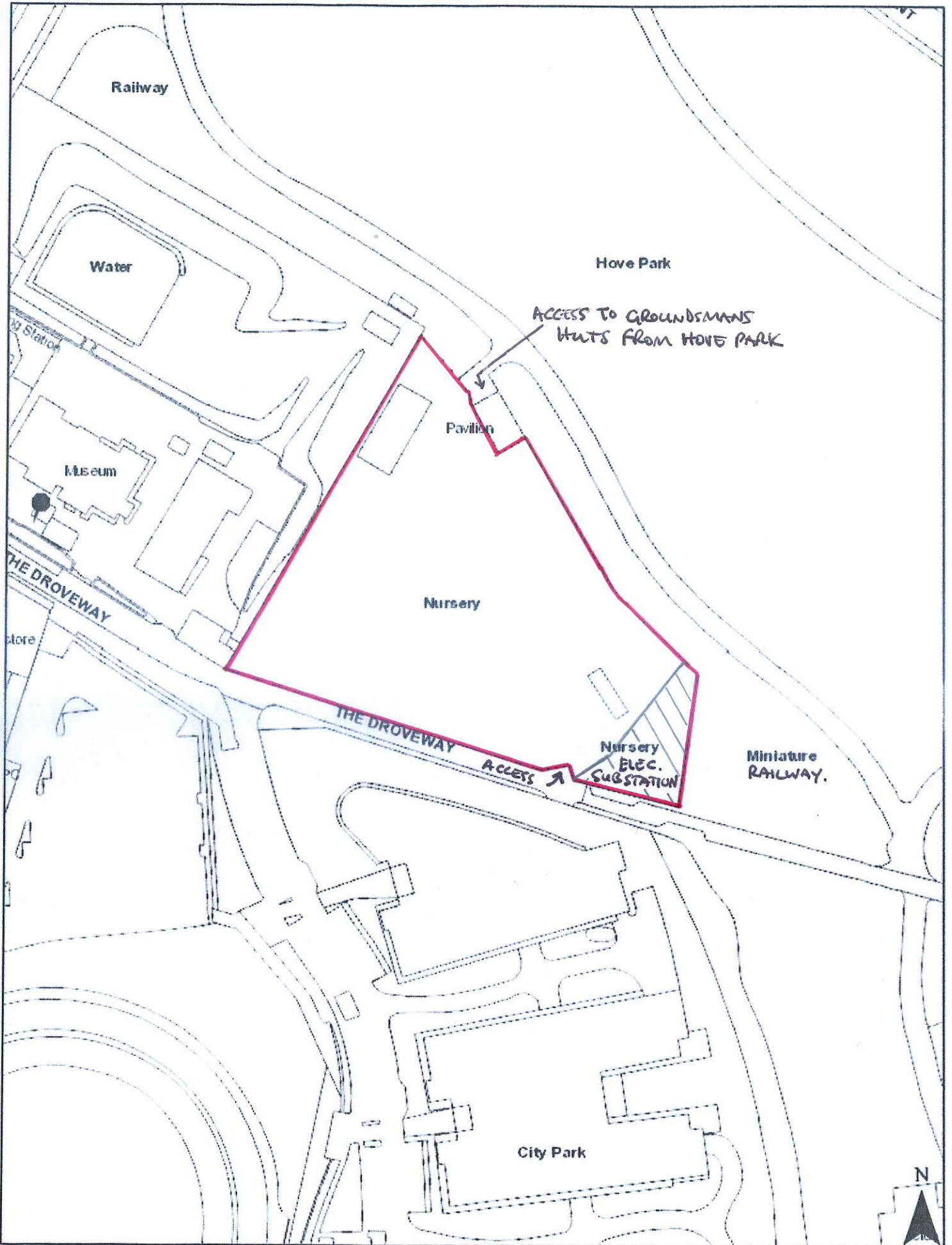
- 1 Plan of site (1.1)
- 2 Part 2 information – Exempt Category 3 – Not for publication

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

None







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HOVE PARK DEPOT / SCRUB NURSERY Scale 1:1,250





<b>Subject:</b>	<b>Procurement of a framework agreement for reactive fabric maintenance and minor new works</b>		
<b>Date of Meeting:</b>	<b>12 June 2014</b>		
<b>Report of:</b>	<b>Executive Director for Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Angela Dymott</b>	<b>Tel: 29-1450</b>
		<b>Martin Hedgecock</b>	<b>29-5047</b>
	<b>Email:</b>	<b>martin.hedgecock@brighton-hove.gov.uk</b>	
<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

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

- 1.1 To obtain approval for the procurement and award of a framework agreement for property related reactive fabric maintenance and minor new works with an approximate value of £3.8M over a term of four (4) years. The works will include emergency and essential repair works as well as health and safety improvements and minor new works to all of Brighton & Hove City Council's civic offices, social care, historic, operational (excluding schools) and commercial buildings, in each case up to a maximum single order cost of £25,000.
- 1.2 This procurement relates to those buildings where the council has a repairing liability but excludes council housing, highways and educational establishments which have their own budgetary provisions. However, departments responsible for these areas will have the ability to buy into this service through the corporate landlord and service for schools helpdesk offer.

**2. RECOMMENDATION:**

- 2.1 That Policy & Resources Committee grants delegated authority to the Executive Director, Finance & Resources to approve the procurement and award of a framework agreement for reactive fabric maintenance and minor new works to the council's civic offices, social care historic, operational (excluding schools) and commercial buildings with a term of up to a maximum of four (4) years.

**3. CONTEXT / BACKGROUND INFORMATION**

- 3.1 On 1<sup>st</sup> April 2013 Property and Design implemented the Corporate Landlord model. This resulted in the need for the council to review the building fabric reactive repair and minor works provision to its operational buildings to see how it could provide a service that included a 24/7 response helpdesk, rationalisation of contractors used, transparent call out charges, hourly rates and overheads in order to provide auditable evidence of value for money.
- 3.2 The majority of the building fabric reactive repairs have been of a minor nature with an average cost of £140 each, the larger repairs and minor new works, with

a value between £250 and £25,000, have been procured in accordance with the councils contract standing orders, examples of these types of works are replacing broken windows, door locks etc for reactive repairs and redecoration of properties, roof renewals and refurbishing baths or kitchen units etc for the larger works.

- 3.3 Since the implementation of Corporate Landlord temporary contract arrangements have been put in place to undertake building fabric reactive repairs and minor new works whilst the best way to procure this function in the future was reviewed with services.
- 3.4 The aim of the proposed procurement is to ensure that a framework agreement is awarded to a number of building fabric maintenance and new works contractors who can be used by the council to provide the required works. The bids will be evaluated, against the KPI criteria contained in the specification, using the council procurement department's usual standard approach of 60% Quality 40% Price, and an area of the evaluation criteria will ensure accessibility to smaller, locally based, contractors.

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

- 4.1 The implementation of the Corporate Landlord model transferred the responsibility for the management and financial control of individual departmental property budgets to Property and Design. The procurement, service delivery, quality and auditable Value for Money procurement of reactive repairs and minor new work is an important part of the Corporate Landlord model.
- 4.2 The alternatives available are
- i) Do nothing and continue to use the small works approved list of contractors. This has been the main method of operation in premises) since April 2013 and it has proved difficult to manage and demonstrate Value for Money assurance.
  - ii) Officers have investigated "partnering" with the current Housing department reactive and minor works contract with the Mears group but this contract does not have the scope to allow for the council's requirements.

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

- 5.1 Regular consultations take place with all departmental senior managers participating in the Corporate Landlord model to ensure that the service remains effective, efficient and responsive to their needs.

#### **6. CONCLUSION**

- 6.1 Procurement of a framework agreement in accordance with this report, should enable the council to find contractors who can supply the required works and achieve value for money.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The council's revenue funded Maintenance Budget for 2014-15 provides a total of £934,000 (£3.8M over the 4 year period) for reactive repairs maintenance and minor new works expenditure on the council's civic offices, social care, historic, operational (excluding schools) and commercial buildings which reflects anticipated savings through smarter contract procurement and the ongoing benefits of efficiencies through the centralisation of the corporate landlord function. Included within this annual budget and overall programme of works are items that will be considered as health and safety adjustments primarily for social care premises.
- 7.2 This contract and the 24/7 staffed helpdesk will be met from within the agreed budget allocations for 2014-15. Emerging compliance risks will be addressed by reprioritising the allocation as required. Risk and priorities will be reassessed and considered in the development of the allocation for 2015-16.

*Finance Officer Consulted: Rob Allen*

*Date: 22/04/14*

### Legal Implications:

- 7.3 Works to be procured under the proposed framework agreement must comply with relevant lease conditions and health and safety and other applicable legislation. A framework agreement, with individual contracts being called off under the framework, is an effective contractual tool for delivering work contracts on time within budget. All forms of procurement outlined in this report must comply with the council's Contract Standing Orders.
- 7.4 Council contracts (including framework agreements) with an estimated lifetime value in excess of £500,000 must be approved by the relevant committee. Policy & Resources Committee is the appropriate body to approve property related contracts of this value.

*Lawyer Consulted: Isabella Sidoli*

*Date: 01/05/14*

### Equalities Implications:

- 7.5 Where applicable, items of maintenance work within the programme will consider the Equality Act 2010 to maintain and improve access and general facilities to address the diverse needs of staff and users of the civic offices, operational and commercial buildings.

### Sustainability Implications:

- 7.6 Sustainability will be improved through the increasing the lifecycle of assets, combined with environmental improvements where identified during the repair process. Energy efficiency measures will be incorporated into maintenance works where appropriate.

Any Other Significant Implications:

*Corporate / Citywide Implications:*

- 7.7 The maintenance of operational properties is part of the Asset Management & Corporate Property Strategy to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

## **Supporting Documents**

### **Appendices**

1. Other Implications

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

None

### **Background Documents**

None

**Other Implications:**

Crime & Disorder Implications:

- 1.1 There are no direct implications in respect of the prevention of crime and disorder within this report although certain items of work try to minimise vandalism through design and the use of relevant materials.

Risk and Opportunity Management Implications:

- 1.2 The risks and opportunities are dependent on the successful procurement of contractors and robust contract and financial management to ensure that works are completed safely within budget and programme. Corporate risk will be reduced through the Corporate Landlord model, ensuring consistency of approach for statutory and other legal requirements.

Public Health Implications:

- 1.3 Both the Corporate and Social Care programmes would include repair works to reduce risk to public health e.g. fault repairs, domestic and commercial water system repairs, internal decorations to improve hygiene in Social Care premises, etc.



<b>Subject:</b>	<b>Brighton and Hove City Council Provision of Arboricultural Services</b>		
<b>Date of Meeting:</b>	<b>12<sup>th</sup> June 2014</b>		
<b>Report of:</b>	<b>Executive Director Environment, Development &amp; Housing</b>		
<b>Contact Officer:</b>	<b>Name: Ian Brewster</b>	<b>Tel: 29-4395</b>	
	<b>E-mail: <a href="mailto:ian.brewster@brighton-hove.gov.uk">ian.brewster@brighton-hove.gov.uk</a></b>		
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

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

- 1.1 This report seeks approval for the procurement of a contract to provide for arboricultural services within Brighton & Hove.

**2. RECOMMENDATIONS:** That Policy and Resources Committee:

- 2.1 Approves the procurement of a contract for arboricultural services in Brighton & Hove with a term of three (3) years from 1 February 2015 to 31 January 2018 and an option to extend for a further two years to 31 January 2020;
- 2.2 Grants delegated authority to the Executive Director Environment, Development and Housing –
- (i) to carry out the procurement of the contract referred to in 2.1 above including the award and letting of the framework agreement; and
  - (ii) to grant an extension to the contract referred to in 2.1 above of two years should he/she consider it appropriate at the relevant time.

**3. CONTEXT/BACKGROUND INFORMATION:**

- 3.1 The Council is statutorily responsible for maintaining the highway and the trees sited on the highway. Its highways contain approximately 12,000 trees and a high proportion of these form part of the internationally renowned National Elm Collection. The importance of elm trees is that they have specific Biodiversity Action Plan insect and lichen dependants. Unfortunately, millions of elm trees in the UK have died since the 1970s caused by Dutch Elm disease. The elm trees in the city, however, have resisted this devastating disease, primarily through a good sanitation programme instigated by the Council and an in-house team of arboriculturists. The Council's Arboricultural Service remains committed to containing Elm disease and extending the range of trees in the National Collection.

Thirty mature highway trees were lost during the adverse weather between October 2013 to March 2014. The trees had not been pruned for at least 4 years. Their crown sizes were large and there are indications that this was contributory to their collapse, lifting at ground level. These losses could have been prevented if effectively crown reduced according to the pruning rota. The unprecedented adverse weather restricted climbing and crown reduction operations, causing a set back of the pruning rota. This is now overdue and will benefit from a programme of tree pruning which would be implemented as part of the new contract.

- 3.3 The majority of the city's trees along highways have reached maturity. Mature trees are prone to dislocate from their restricted growing area. Tree movement by wind stimulates their roots to grip and 'anchor'. The action of this can cause serious ground disruption by lifting kerbs, paving, paths and utility pipes and is expensive to repair and it leads to insurance claims for damage. Reducing the size of trees in accordance with the pruning rota restricts their swaying motion and potential to dislocate underground services and structures, leading to fewer claims for damages.
- 3.4 Procurement of a new contract will continue to provide a timely crown reduction and sanitation programme to help reduce the number of mature tree deaths, claims and losses. If the tree pruning program is not renewed our mature highway tree population will diminish within a short period of time.
- 3.5 The proposed 3 + 2 year contract will stimulate a broader interest within the arboriculture industry, providing the confidence for interested private contractors to invest in appropriate equipment and staffing to ensure optimum service delivery.
- 3.6 Due to the proposed value of the contract which is £450,000 over 3 years, and a total of £750,000 over 5 years, the procurement would be subject to the full application of the EU Procurement regime. Officers from City Parks and Corporate Procurement will work closely to ensure a fully compliant process is undertaken, resulting in the best possible value for money for the Council.

#### **4. ANALYSIS AND CONSIDERATION OF ANY ALTERNATIVE OPTION(S):**

- 4.1 The Council's Arboricultural Service could potentially increase its capacity to accommodate the majority of tree which grow to towards the west half of the city the majority of which grow in Hove. However there is no available infrastructure or space to accommodate additional staff, machines, parking spaces and equipment with the necessary supervision and management. The current contract which enables both the Council and private contractors to work on the same tree stock stimulates a healthy and competitive environment. It is also a flexible and productive arrangement, especially when dealing with emergency situations.
- 4.2 The possibility of conducting a joint procurement and contracting exercise with neighbouring local authorities has been discussed. However due to concerns in relation to increased prevalence of tree disease (such as Dutch Elm Disease) in other areas, officers believe a single contract for Brighton and Hove to be the preferred option to concentrate upon the protection of the city's National Elm Collection.

## **5. COMMUNITY ENGAGEMENT AND CONSULTATION:**

- 5.1 This is a contract for arboricultural services mainly on the Council's highway. Therefore the need to consult with external bodies is not applicable.

## **6. CONCLUSION:**

- 6.1 It is imperative that the Council's provision for high quality pruning work by a private contractor continues as part of service expectations for its residents and highway users.
- 6.2 It is recommended that a 3 + 2 year term contract is offered. This term should stimulate broader interest over a wider range of contractors.
- 6.3 Additionally the possibility of a five year term is vital to build confidence and working relationships with the provider to provide a continual reliable service for the city's residents and highway users.

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

### Financial Implications:

- 7.1 The recommended procurement process is subject to compliance with the councils Contract Standing Order and Financial Regulations. The procurement process will be prepared on a basis to maximise economy, efficiency and effectiveness and will therefore support achieving value for money.
- 7.2 The net TBM revenue budget for the arboriculture service in the 2014-15 financial year is £678k which includes a private contractor budget of approximately £151k. The financial implications of the recommendations will be dependent on the outcome of the procurement process. Any variation between the procurement value and the existing budget will be funded from existing revenue budgets.

*Finance Officer Consulted: Steven Bedford*

*Date: 09/05/14*

### Legal Implications:

- 7.3 The Council, as a reasonable and prudent land owner, owes a duty of care to ensure the safety of the public when passing near trees on the highway. This duty closely mirrors the statutory duty owed under the Occupiers' Liability Acts. In addition, under the Highways Act 1980, the Council has a duty to cut or fell trees and shrubs that overhang the public highway, or cause danger.
- 7.4 The Policy & Resources Committee is the appropriate decision-making body in respect of the recommendations at paragraph 2 above, given that the value of the contract which is the subject of the proposed tendering exercise is likely to have corporate financial implications.

- 7.5 Further, the Council's Contract Standing Orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee, which in this instance is the Policy and Resources Committee due to the value involved.
- 7.6 The value of the proposed framework means that the UK Public Contracts Regulations will apply in full to the procurement of the Framework Agreement. The tender will need to be advertised in OJEU. The tender will be scored on the criteria of quality and price as part of the evaluation process.

*Lawyer Consulted: Johann Wyllly Date: 9<sup>th</sup> May 2014*

Equalities Implications:

- 7.7 There would be an expectation that the successful private contractor appointed would have an equalities policy which would be reviewed as part of the procurement process.

Sustainability Implications:

- 7.8 The successful private contractor would be expected to improve and contribute to the tree maintenance programme in terms of sustainable working and finding solutions to tree-related issues. This requirement will form part of the tender evaluation process, with information requested in relation to the reduction of any negative environmental impacts of the service.

Additionally, tenderers will be asked to provide information on their sustainability policy, environmental management systems and company history in relation to environmental legislation.

Crime & Disorder Implications:

- 7.9 No implications.

Risk & Opportunity Management Implications:

- 7.10 There are risks involved in failing to fulfil the Council's statutory duty as Highway Authority to maintain the trees on the public highway, and to prevent danger to the public from trees on the highway. Failure to maintain those highway trees and to reduce the risks from them will have adverse effects, leading to increasing rates of deterioration and associated risk of increasing claims in relation to health and safety, and other types of damage, such as damage to vehicles, which will mean increased insurance claims.

Corporate / Citywide Implications:

- 7.11 No specific implications.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

*None*

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

*None*

### **Background Documents**

*None*



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