





Brighton & Hove
City Council

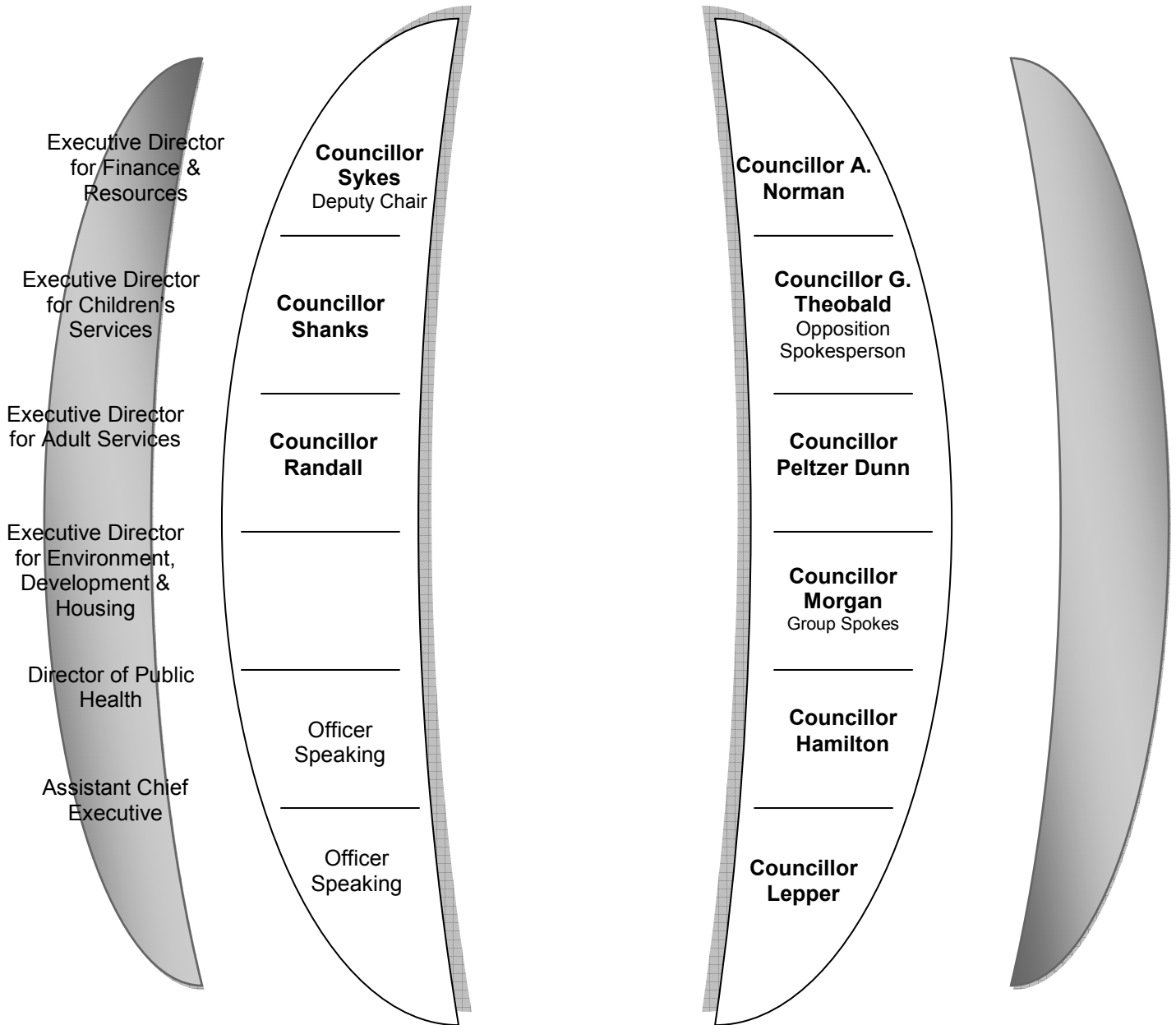
Policy & Resources Committee

Title:	Policy & Resources Committee
Date:	19 March 2015
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: J Kitcat (Chair), Sykes (Deputy Chair), G Theobald (Opposition Spokesperson), Morgan (Group Spokesperson), Hamilton, Lepper, A Norman, Peltzer Dunn, Randall and Shanks
Contact:	Ross Keatley Democratic Services Manager 01273 291064 ross.keatley@brighton-hove.gov.uk

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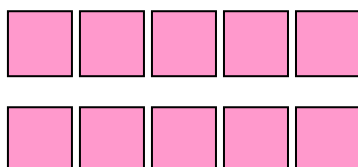
Democratic Services: Policy & Resources Committee

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

PART ONE

Page

PROCEDURAL MATTERS

148 PROCEDURAL BUSINESS

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

(b) **Declarations of Interest:**

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

In each case, you need to declare

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

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

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

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

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

149 MINUTES

1 - 14

To consider the minutes of the meeting held on 12 February 2015 (copy attached).

Contact Officer: Ross Keatley

Tel: 29-1064

150 CHAIR'S COMMUNICATIONS

151 CALL OVER

- (a) Items (154 - 169) 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

152 PUBLIC INVOLVEMENT

15 - 16

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 as notified for presentation at the meeting by the due of 12 March 2015;
 - i) **Continuation of Stanmer Park Horse Rescue Centre (SPHRC)**
 - ii) **Compulsory Purchase Medina House, Kings Esplanade, Hove**
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 12 March 2015;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 12 March 2015.

153 MEMBER INVOLVEMENT

17 - 18

To consider the following matters raised by councillors:

- (c) **Letters:** to consider any letters;
 - i) **Councillor Mears: Local Transport Plan 4**

FINANCIAL MATTERS

154 BRIGHTON & HOVE CITY COUNCIL CORPORATE PLAN AND MEDIUM TERM FINANCIAL STRATEGY 2015-19

19 - 90

Report of the Chief Executive (copy attached).

Contact Officer: *Matthew Wragg*
Ward Affected: *All Wards*

Tel: 29-3944

POLICY & RESOURCES COMMITTEE

- 155 ASSET MANAGEMENT FUND 2015/16** **91 - 98**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* Nigel McCutcheon, Angela Dymott *Tel:* 29-1453 , *Tel:* 29-1450
- Ward Affected:* All Wards
-
- 156 PLANNED MAINTENANCE BUDGET ALLOCATION 2015-16 AND PROGRAMME OF WORKS FOR THE COUNCIL'S OPERATIONAL BUILDINGS** **99 - 106**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* Martin Hilson, Angela Dymott *Tel:* 29-1452 , *Tel:* 29-1450
- Ward Affected:* All Wards
-
- 157 SOUTH EAST BUSINESS SERVICES AND CENTRAL SERVICES** **107 - 140**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* Rachel Musson *Tel:* 01273 291333
- Ward Affected:* All Wards
-
- 158 TREASURY MANAGEMENT POLICY STATEMENT 2015/16** **141 - 156**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* James Hengeveld *Tel:* 29-1242
- Ward Affected:* All Wards
-
- 159 PAY POLICY STATEMENT 2015/16** **157 - 166**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* Matt Naish *Tel:* 295088
- Ward Affected:* All Wards
-
- 160 ANNUAL INVESTMENT STRATEGY 2015/16** **167 - 182**
- Report of the Interim Executive Director for Finance & Resources (copy attached).
- Contact Officer:* James Hengeveld *Tel:* 29-1242
- Ward Affected:* All Wards

POLICY & RESOURCES COMMITTEE

161 ALTERNATIVE LOCAL TAXATION To Follow

Report of the Head of Legal & Democratic Services (to follow).

Contact Officer: Abraham Ghebre-Ghiorghis *Tel:* 29-1500
Ward Affected: All Wards

STRATEGIC & POLICY MATTERS

162 LOCAL TRANSPORT PLAN 2015 To Follow

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

Contact Officer: Andrew Renaut *Tel:* 29-2477
Ward Affected: All Wards

REGENERATION & PROPERTY MATTERS

163 SEAFRONT INVESTMENT PROGRAMME - GOVERNANCE ARRANGEMENTS 183 - 200

Joint report of the Executive Director for Environment, Development & Housing and the Assistant Chief Executive (copy attached).

Contact Officer: Ian Shurrock, Nick Hibberd *Tel:* 29-2084 , *Tel:* 29-3756

Ward Affected: South Portslade, Wish, Westbourne, Central Hove, Brunswick & Adelaide, Regency, Queen's Park, East Brighton and Rottingdean Coastal.

164 OPTIONS FOR THE STORE BETWEEN 67 & 67A ST ANDREWS ROAD PORTSLADE (AKA PORTSLADE POLICE STATION) 201 - 210

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

Contact Officer: Simon Pickles *Tel:* 01273 292083
Ward Affected: South Portslade

CONTRACTUAL MATTERS

165 TENDER FOR COAST PROTECTION AND HIGHWAY STRUCTURES MAINTENANCE CONTRACT 211 - 216

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

Contact Officer: Mark Prior *Tel:* 01273 292095
Ward Affected: All Wards

POLICY & RESOURCES COMMITTEE

166 PROCUREMENT OF SCHOOLS MANAGEMENT INFORMATION SYSTEMS (MIS) 217 - 222

Joint report of the Interim Executive Director for Finance & Resources and the Executive Director for Children's Services (copy attached).

Contact Officer: Leyla Tovey, Mark Watson *Tel:* 01273293561 ,
Tel: 29-1585

Ward Affected: All Wards

GENERAL MATTERS

167 REVIEW OF THE CONSTITUTION - MARCH 2015 223 - 248

Report of the Head of Legal & Democratic Services (copy attached).

Contact Officer: Abraham Ghebre-Ghiorghis *Tel:* 29-1500

Ward Affected: All Wards

168 ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 26 March 2015 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 16 March 2015 (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

CONTRACTUAL MATTERS

169 WASTE UPDATE REPORT 249 - 260

Joint report of Executive Director for Environment, Development & Housing and the Interim Executive Director for Finance and Resources (circulated to Members only).

Contact Officer: Jan Jonker *Tel:* 29-4722

Ward Affected: All Wards

PROCEDURAL MATTERS

170 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.

POLICY & RESOURCES COMMITTEE

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.

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

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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) or email democratic.services@brighton-hove.gov.uk

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Date of Publication - Wednesday, 11 March 2015

BRIGHTON & HOVE CITY COUNCIL

POLICY & RESOURCES COMMITTEE

4.00pm 12 FEBRUARY 2015

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

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

PART ONE

132 PROCEDURAL BUSINESS

132 (a) Declarations of substitutes

132.1 There were none.

132 (b) Declarations of interest

132.2 There were none.

132 (c) Exclusion of press and public

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

132.4 **RESOLVED-** That the press and public not be excluded from the meeting.

133 MINUTES

133.1. The minutes of the last meeting held on the 22nd January 2015 were approved as a correct record and signed by the Chair.

134 CHAIR'S COMMUNICATIONS

- 134.1. The Chair welcomed everyone to the meeting and noted that there were a lot of big items on the agenda that presented the committee with some difficult choices. However, he wanted to say a big well done to all those involved in the Lewes Road improvement scheme for winning a Smarter Travel Award. It was yet another example of the excellent work the council was doing around provisions for sustainable methods of transport.
- 134.2. He then reminded the meeting that it was LGBT History Month and that there were events taking place all over the city to celebrate and inform. He noted that you could check the council website for listings or visit your local library where further information and special displays have been put up.
- 134.3. The Chair also stated that he wanted to highlight the current work going on through electoral services. Claire Wardle and her team were trying to reach as many of the city's citizens as possible as we know a large number have fallen off the electoral register with the introduction of the new registration system. The deadline was 20th April and he asked everyone to make sure they are registered to vote and to make sure their friends, family and neighbours are also registered. He noted that you could go online at <https://www.gov.uk/register-to-vote> to do so or call 01273 291 999 if you had any queries.

135 CALL OVER

- 135.1. The following items were reserved for discussion.

Item 138	General Fund Revenue Budget & Council Tax 2015/16
Item 140	Capital Resources and Capital Investment Programme 2015/16
Item 141	Housing Revenue Account Capital Programme 2015-16
Item 142	Targeted Budget Management (TBM) 2014/15 Month 9
Item 144	Brooke Mead Extra Care Housing – Development Update
Item 145	Integrated Sexual Health Service Contract

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

Item 139	Housing Revenue Account Budget 2015/16
Item 143	Voluntary Dedication of Land Under the Countryside and Rights of Way Act 2000 (CROW Act)
Item 146	Corporate Procurement of Electricity and Gas Supplies.

136 PUBLIC INVOLVEMENT

- 136.1 The Chair welcomed Mr. Cameron and Mr. Amerena to the meeting and invited them to address the committee in regard to their deputation, concerning the Old Police Station in Portslade.

- 136.2 Mr. Cameron thanked the Chair and stated that the Brighton & Hove Heritage Commission believed there was an opportunity to utilise the old police station as a heritage centre for Portslade and the city. He therefore sought the committee's agreement to enabling a feasibility study to be completed and then reviewed. The current proposal to use the building for housing purposes was poorly put together and had serious weaknesses. He believed that it would provide a greater benefit as a heritage centre for the community and enable it to become a focal point for schools, groups and local organisations.
- 136.3 Mr. Amerena stated that he put forward the proposal to the Portslade Community Forum who were fully supportive. He noted that both Brighton and Hove had their own heritage centres and suggested that the residents of Portslade should have a similar provision. He therefore hoped that the commission could be given six months in which to produce a feasibility study for consideration.
- 136.4 The Chair thanked Mr. Cameron and Mr. Amerena for attending the meeting and noted that Councillor G. Theobald had submitted a letter to the committee on the same subject. He therefore invited Councillor Theobald to speak to his letter.
- 136.5 Councillor Theobald stated that he fully supported the aims of the deputation and believed that the availability of the old police station provided a once in a life time opportunity that should not be missed. He welcomed the intention to have a heritage centre and believed a delay of six months would not affect the current proposal for the building to be converted into housing. He noted that Councillor Robins had previously raised the matter at the committee. He therefore proposed that a report be brought back to the next meeting on the matter and the option for a heritage centre.
- 136.6 Councillor Hamilton stated that he believed it was worth exploring the possibility and therefore supported Councillor Theobald's request for a report to the committee.
- 136.7 Councillor Randall stated that he believed the matter had already been considered and the proposed housing development delayed to allow for a feasibility study to be brought forward. The council was not in a position to support such a study financially and to date nothing had been done by those advocating a heritage centre. The city required additional housing provision and the scheme should go ahead.
- 136.8 Councillor Peltzer Dunn supported Councillor Theobald's request for a report and stated that whilst he agreed there was a need to provide housing, the possibility of having a heritage centre in such a unique building should not go unexplored.
- 136.9 The Chair noted the comments and stated that there were two options before the committee, to note the deputation and Councillor Theobald's letter or to note them and call for an officer report to the next meeting. He therefore put the option to note the deputation and letter to the vote which lost by 4 votes to 6.
- 136.10 He then put the option to note the deputation and letter and to call for a report to the next meeting to vote, which was carried by 6 votes to 4.

136.11 **RESOLVED:** That the deputation be noted and officers be requested to bring a report back to the next meeting on the whether a delay to the proposed development to enable a feasibility study to be undertaken was possible.

137 MEMBER INVOLVEMENT

137.1. Note: Councillor Theobald spoke to his letter as part of the consideration of the deputation regarding the old police station which is recorded in the preceding item (Item 136 above.)

138 GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2015/16

138.1 The Committee noted that the special circumstances for non-compliance with Council Procedure Rule 5, Access to Information Rule 5 and Section 100B of the Local Government Act 1972 as amended (items not to be considered unless the agenda is open to inspection at least five days in advance of the meeting) were that information on the 2014/15 financial position was still being finalised and officers were awaiting critical information about the final Local Government Grant Settlement for 2015/16 from the Department for Communities and Local Government (CLG).

138.2 The Interim Executive Director for Finance & Resources introduced the report which detailed the final proposals for the General Fund Revenue Budget and Council Tax for 2015/16. She stated that the budget had been developed in the context of the emerging Corporate Plan and the draft medium-term financial plan. She referred to appendix 2 which set out the changes in the budget gap since December and noted that whilst the budget was based on a 5.95 council tax increase in accordance with the Administration's aims, it also detailed the various options for the council tax that had been identified by the 3 political Groups.

138.3 Councillor Sykes stated that he wished to place on record his apologies for an error that had resulted in a press release being issued on the 5th February which detailed budgetary information that had not been made available to Members of the Committee as was only due for release on the 6th February. He then stated that he believed it was an excellent report and thanked the officers involved in producing it. He hoped that the proposed increase of 5.9% which would require a referendum to be held would be supported as this provided a level of resources to maintain services and manage the effects of the cuts to local government funding. He also noted that the report detailed the fall-back option of a 2% council tax increase should the referendum result in a no vote. However, he believed the level of opposition to a 5.9% increase was falling and noted that 61% people who responded to the budget consultation indicated their support for a council tax rise if it meant services were maintained. He therefore recommended that the 5.9% increase should be supported.

138.4 Councillor G. Theobald accepted Councillor Sykes' apology and also asked that his thanks be conveyed to the officers involved in providing the budgetary information. He stated that he believed a council tax freeze could be achieved and noted that the government's freeze grant had been built into the budget projections should a freeze be agreed. He then referred to page 14 of the report and questioned whether there had been any attempt to market test services, noting that the proposed establishment of a local authority trading company had not come to fruition. He asked for clarification

in relation to the new homes bonus referred to in paragraph 3.19 and queried why the information in paragraph 7.6 relating to the Youth Service did not take account of the request made in the Notice of Motion that was approved at the last meeting.

- 138.5 The Chair noted the comments and stated that whilst the Notice of Motion had been approved, it was not binding on the committee although it had been taken into account when the proposed review had been put forward in the report.
- 138.6 The Interim Executive Director for Finance & Resources confirmed that £3.387m had been identified for 2015/16 as part of the New Homes bonus.
- 138.7 The Executive Director for Children's Services stated that in regard to the Youth Service, it had been agreed to meet with all providers to review the future level of provision. Once the review was completed there would be a need to consider what level of provision could be provided and to report those proposals to the Children & Young People Committee in the autumn.
- 138.8 Councillor Morgan thanked the officers for their hard work in producing the report and stated that the Labour & Co-operative Group could not support a 5.9% council tax increase. He believed that a 2% threshold increase was the right level and would ensure that services could be supported which a council tax freeze could put at risk. He also noted that a no vote in a referendum would cost the city £1.187m which could be used to support services. He stated that whilst the report detailed a 2% fall-back option, the Labour & Co-operative Group wished to retain its ability to amend that option at Budget Council.
- 138.9 Councillor G. Theobald asked for clarification in regard to the recommendations before the committee, namely that should they be agreed, there was no commitment in terms of the fees and charges referred from other committees or to the overall budget and council tax.
- 138.10 The Monitoring Officer stated that the Policy & Resources Committee was being asked to recommend the Budget and Council Tax to Full Council and the fees and charges referred from the Economic Development & Culture and Environment, Transport & Sustainability Committees were before the committee for information as part of the overall budget as they had been referred directly to the Full Council for consideration. In agreeing the recommendations before them today, Members were not committing the Council to any action other than to consider the budget proposals.
- 138.11 Councillor Morgan noted that should the Council agree to a referendum budget, recommendation 2.3 would also need to be included and asked for a separate vote on the recommendations.
- 138.12 The Chair noted the comments and put recommendations 2.1 to 2.3 to vote which had the following outcome:
- Recommendation 2.1 - For 4 and 6 against, lost;
- Recommendation 2.2 - For 3 and 7 against, lost;

Recommendation 2.3 - For 3 and 7 against, lost.

138.13 The Chair noted that all three options had been lost and sought clarification from the Monitoring Officer on the committee's responsibilities.

138.14 The Monitoring Officer stated that the committee had a responsibility to put forward recommendations to the Full Council in regard to the General Fund Revenue Budget and Council Tax for 2015/16. He stated that should the committee fail to do so, it would leave officers having to make recommendations to the Council.

138.15 The Chair noted that an agreed option to recommend to the Council could be achieved and therefore proposed that the committee agree to putting all three options relating to the level of council tax to the Council for consideration; along with the remaining recommendations listed in the report.

138.16 **RESOLVED TO RECOMMEND:**

That the following be referred to the Council for consideration:

- (1) The Administration's proposed 5.9% Council Tax increase in the Brighton & Hove element of the council tax, including:
 - (i) The 2015/16 budget allocations to services as set out in Appendix 1.
 - (ii) The council's net General Fund budget requirement for 2015/16 of £220.2m.
 - (iii) The referendum budget savings package as set out in Appendix 7.
 - (iv) The additional budget proposals for a substitute budget of £4.293m as set out in Appendix 8.
 - (v) The funding of the costs associated with holding a referendum on the 7 May 2015 in accordance with Chapter IVZA of the Local Government Finance Act 1992 and associated regulations as set out in table 2.
 - (vi) The reserves allocations as set out in paragraph 3.24 and table 2.
 - (vii) The Prudential Indicators as set out in Appendix 12 to this report.
- (2) If recommendation 2.1 is not agreed, further savings as set out in Appendix 9 be agreed (these being sufficient to enable a Council Tax freeze in the Brighton & Hove element of the council tax after taking account of the Freeze Grant available from Government) including consequential adjustments to the reserves allocations and prudential borrowing limits as set in paragraphs **Error! Reference source not found.** and Appendix 12, and subject to modifications as necessary to be undertaken by officers following consultation with relevant members and that Council agrees a revised council tax resolution to reflect that;
- (3) If neither recommendation 2.1 nor 2.2 are agreed, that Council adopts a Threshold Budget of 2%, which represents the threshold above which a referendum would be triggered, including the consequential adjustments to the reserves allocations and prudential borrowing limits.

[Note: This option uses the Substitute budget savings package and would therefore be the same as the substitute budget proposals with the exception of the difference in one-off costs between these two budget options. The one-off costs comprise the cost of holding the referendum and timing differences for implementation, as set out in Appendix 10.]

- (4) That Council agree the fees and charges referred to Council as outlined in paragraph **Error! Reference source not found.** and **Error! Reference source not found.**;
- (5) That Council note the Equalities Impact Assessments to cover all budget options and their cumulative effect are set out in Appendices 13 and 14;
- (6) That Council approves the borrowing limit for the year commencing 1 April 2015 of £379m;
- (7) That Council approves the annual Minimum Revenue Provision statement as set out in Appendix 11;
- (8) The proposed responses to the scrutiny recommendations as set out in Appendix 17;
- (9) That Council note the revised Medium Term Financial Strategy and resource projections for 2015/16 to 2019/20 as set out in Appendix 5;
- (10) That Council note that supplementary information needed to set the overall council tax will be provided for the budget setting Council as listed in paragraph **Error! Reference source not found.**;
- (11) That, for the purposes of enacting an extended business rates transitional relief scheme announced in the Autumn Statement 2014, Council grant delegated authority to the Executive Director of Finance & Resources to design and administer the scheme in accordance with government guidelines as set out in paragraph **Error! Reference source not found.**; and
- (12) That if recommendation (1) above, is agreed, the referendum be held on 7th May 2015.

138.17 **RESOLVED:** That officers be authorised to make any necessary technical, presentational or consequential amendments to the report before its submission to full Council.

139 HOUSING REVENUE ACCOUNT BUDGET 2015/16

139.1 RESOLVED TO RECOMMEND

- (1) That the budget for 2015/16 as shown in Appendix 1 to the report be approved;
- (2) That a rent increase of 2.2% in line with government guidance be approved;

- (3) That the changes to fees and charges as detailed in Appendix 2 to the report be approved; and
- (4) That the Medium Term Financial Strategy shown in Appendix 3 to the report be noted.

139.2 **RESOLVED:** That it be noted that the Housing Committee agreed to a further report being submitted to the committee on the cumulative impact of charges in due course.

140 CAPITAL RESOURCES AND CAPITAL INVESTMENT PROGRAMME 2015/16

- 140.1 The Committee noted that the special circumstances for non-compliance with Council Procedure Rule 5, Access to Information Rule 5 and Section 100B of the Local Government Act 1972 as amended (items not to be considered unless the agenda is open to inspection at least five days in advance of the meeting) were that information on the 2014/15 financial position was still being finalised and officers were awaiting critical information about the final Local Government Grant Settlement for 2015/16 from the Department for Communities and Local Government (CLG).
- 140.2 The Interim Executive Director for Finance & Resources introduced the report, concerning the level of available capital resources in 2015/16 to enable the Committee to propose a Capital Investment Programme for 2015/16 to the Council. The Capital Investment Programme was set out in the context of the Medium Term Financial Strategy which was included in the General Fund Revenue Budget report. The Executive Director noted that the planned investment over the forthcoming year amounted to £120.6m investment in council services.
- 140.3 Councillor Sykes welcomed the report and thanked the officers involved in producing the report. He particularly noted the impact the capital programme had on jobs, homes and the income stream within the city for 2015/16.
- 140.4 Councillor A. Norman welcomed the report but stated that she was opposed to the proposed spending of capital receipts from the sale of Kings House on the redevelopment of Hove Town Hall. She asked for an update on the proposed sale of Kings House and also questioned the increased level of capital investment in ICT, which amounted to approximately £6m over the last 3 years. She queried whether it would be better to outsource the service rather than continue to put resources into it.
- 140.5 The Assistant Director, Property & Design informed the committee that the sale of Kings House was proceeding and that she would provide Members with a briefing note following the meeting on the current position.
- 140.6 The Chair stated that there had been an under-investment in ICT for a number of years and it was necessary to ensure that it could meet the needs of the organisation.
- 140.7 Councillor Shanks drew the committee's attention to the increased level of resources available for investment into the city's schools and the ability to provide a new secondary school once a site had been identified.

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

140.9 **RESOLVED TO RECOMMEND**

- (1) That the draft Capital Investment Strategy for 2015 to 2025 as detailed in Appendix 4 to the report be approved;
- (2) That the Capital Investment Programme for 2015/16 as detailed in Appendix 1 to the report be approved;
- (3) That the estimated capital resources in future years as detailed in Appendix 1 to the report be noted;
- (4) That the allocation of £0.25m resources in 2015/16 for the Strategic Investment Fund for the purposes set out in paragraph 3.19 of the report be approved;
- (5) That the allocation of £2.0m for the ICT fund be approved;
- (6) That the allocation of £1.0m for the Asset Management Fund be approved; and
- (7) That the proposed use of council borrowing as set out in paragraph 3.34 and Appendix 3 to the report be approved.

141 HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2015-2018

- 141.1. The Executive Director for Environment, Development & Housing introduced the report which sought approval for the 2015/16 capital programme and provided a provisional capital programme for 2016/17 and 2017/18 for the Housing Revenue Account. He noted that the report had been considered and agreed by the Housing Committee at its meeting on the 14th January. The proposed programmes outlined the investment in housing stock and the creation of new homes which were part of the council's corporate plan.
- 141.2. Councillor Randall welcomed the report and noted that over the last four years management costs had been reduced which enabled more investment into the capital programme. The Estate Management Board, which had cross-party representation, was working well and he hoped the recommendations would be fully supported.
- 141.3. Councillor Peltzer Dunn also welcomed the report and supported Councillor Randall's comments. He believed it was important to remain on top of the capital programme and achieve its time-table.
- 141.4. The Chair noted the comments and put the recommendations to the vote.
- 141.5. **RESOLVED:** That the Housing Revenue Account Capital Programme budget of £41.034 million and financing for 2015/16 as set out in paragraph 4.3 of the report be approved.

142 TARGETED BUDGET MANAGEMENT (TBM) 2014/15 MONTH 9

- 142.1. The Committee noted that the special circumstances for non-compliance with Council Procedure Rule 5, Access to Information Rule 5 and Section 100B of the Local Government Act 1972 as amended (items not to be considered unless the agenda is open to inspection at least five days in advance of the meeting) were that information on the 2014/15 financial position was still being finalised and reviewed in conjunction with the 2015/16 Budget package.
- 142.2. The Committee considered a report of the Interim Executive Director for Finance & Resources in relation to Targeted Budget Management (TBM) 2014/15 (Month 9). The Interim Executive Director stated that the report detailed an improved position at month 9 but noted that there were significant pressures and forecast risks to manage across the General Fund Revenue Budget. The underlying overspend on council controlled budgets was £2.036m which had been reduced to £0.146m with the release of unallocated general risk provision of £1.890m.
- 142.3. Councillor Sykes thanked Officers for the report, and also the Executive Directors for their work in enabling the projected overspend to come down from £6m to £2m and then further with the release of unallocated resources. He noted that significant pressures remained in Adult and Children's services and that the budget proposals had taken these into consideration and he hoped that they would be supported.
- 142.4. Councillor A. Norman thanked Officers for their continued commitment to the organisation, and stated that the underlying overspend was still worrying. She also stated that the proposed loan to South East Dance was acceptable but queried whether the large underspend in the dedicated schools budget was a result of low take-up and whether it could be used elsewhere.
- 142.5. The Executive Director for Children's Services stated that the changes to pre-nursery provision had led to some misunderstanding and lower take-up than had been predicted. He noted that the Department of Education had changed the funding formula as a result of the low rate of take up nationally which was likely to result in a reduced level of grant and that any underspend was ring-fenced to early years provision.
- 142.6. Councillor Morgan stated that he supported the proposed loan to South East Dance but felt that more information should be brought to the committee and that it would help to have a report to the next meeting on the risks and alternative funding options for example.
- 142.7. The Assistant Chief Executive stated that South East Dance were facing particular time constraints and that the proposals were being supported by the Arts Council nationally, who had agreed to put £1m into the scheme. The funding gap had resulted from delays with the overall scheme and she noted that the council would not sign over the lease until the loan was repaid.
- 142.8. The Head of Finance informed the committee that the proposed loan was for a short-term and could be met by the capital reserves budget as there were sufficient funds to cover the loan period.

- 142.9. Councillor Hamilton noted that the use of unallocated reserves had enabled the projected overspend to be reduced to £0.146m which was welcome but he remained concerned about the overall overspend for Adult Services.
- 142.10. Councillor G. Theobald noted the overall budget position and expressed his frustration with regard to the delays that various schemes supported by the council appeared to suffer. He hoped that this would improve as investment in the city was important and needed to be encouraged.
- 142.11. Councillor Randall noted the comments and agreed that more work was needed to ensure development schemes progressed. He believed that Cathedral had done an excellent job in taking the scheme forward and welcomed the Arts Council's support for South East Dance.

142.12. The Chair noted the comments and then put the recommendations to the vote.

142.13. **RESOLVED:**

- (1) That the forecast outturn position for the General Fund, which is an overspend of £0.541m, consisting of £0.146m on council controlled budgets and £0.395m on the council's share of the NHS managed Section 75 services be noted;
- (2) That the Executive Director of Finance & Resources and the Head of Law be granted delegated authority to make a loan of £0.045m to South East Dance as set out in paragraph 3.22 and 3.23 of the report, subject to satisfactory terms being agreed;
- (3) That the forecast outturn for the Housing Revenue Account (HRA), which is an underspend of £0.541m be noted;
- (4) That the forecast outturn position for the Dedicated Schools Grant which is an underspend of £1.097m be noted;
- (5) That the forecast outturn position on the capital programme be noted; and
- (6) That the Capital Programme variations and re-profiles as detailed in Appendix 3 and new capital schemes in Appendix 4 of the report be approved.

143 VOLUNTARY DEDICATION OF LAND UNDER THE COUNTRYSIDE AND RIGHTS OF WAY ACT 2000 (CROW ACT)

- 143.1. **RESOLVED:** That the dedication of land at Home Farm Stanmer and land at St Mary's Farm (identified on the plan at Appendix 1 to the report) be authorised as public access land in perpetuity under procedures set out in the CRoW Act.

144 BROOKE MEAD EXTRA CARE HOUSING – DEVELOPMENT UPDATE

- 144.1. The Executive Director for Environment, Development & Housing introduced the report which provided an update on the progress of the Brooke Mead extra care housing scheme. The report also sought approval for an increase in the scheme's capital programme budget to cover an increase in costs primarily associated with build cost inflation forecasts. The Executive Director stated that it was anticipated that the final costs would remain at under £12m but this was an increase from the £8.3m previously approved. However, he was hopeful that this change would enable the scheme to be completed.
- 144.2. Councillor Randall stated that he was eager to see the scheme start and noted that the procurement process had been complex. However, he felt that the additional provision should be agreed and that every effort was made to ensure that the scheme came to fruition.
- 144.3. Councillor Peltzer Dunn noted that the committee had previously agreed to the sum of £8.3m in 2013 and was now being asked to approve an increase to £12m based on a pretty crude estimate. He accepted that building costs had increased over the period, however was disappointed with the information that had been provided and the assumption that there would not be further delays.
- 144.4. The Chair noted the comments and put the recommendations to the vote.
- 144.5. **RESOLVED:**
- (1) That an increase in the capital programme budget for the delivery of Brooke Mead extra care housing scheme to a maximum amount of £12m financed through unsupported borrowing in the Housing Revenue Account (HRA), Homes & Community Agency (HCA) Grant and a contribution from Adult Social Care, to enable the scheme to start on site before the end of March 2015 be agreed; and
 - (2) That it be agreed to appropriate the land at Brooke Mead, Albion Street, Brighton, for planning purposes.

145 INTEGRATED SEXUAL HEALTH SERVICE CONTRACT

- 145.1. The Lead Commissioner for Sexual Health & HIV introduced the report which detailed the outcome of negotiations for a new contract for the provision of an integrated sexual health service.
- 145.2. Councillor A. Norman welcomed the report and wished to place on record her thanks to the Lead Commissioner for his additional briefing that he provided prior to the committee meeting. She believed that integrated provision would result in a better service for the city and supported the recommendation.
- 145.3. The Chair noted the comments and welcomed the joint working with the Hospital Partnership Trust and put the recommendation to the vote.

145.4. **RESOLVED:** That the successful outcome of negotiations and intention to award the contract to Brighton and Sussex University Hospitals Trust in partnership with the Sussex Community Trust be noted.

146 CORPORATE PROCUREMENT OF ELECTRICITY AND GAS SUPPLIES

146.1. **RESOLVED:** That the Assistant Director Property & design be granted delegated authority:

- (i) To award a contract effective from 1 October 2016 for a maximum period of four years for the Council's large (over 50kW) electricity supplies from 100% renewable sources and gas supplies through a flexible framework agreement offered by the LASER Energy Buying Group;
- (ii) To award a contract effective from 1 April 2016 for a maximum period of four years for the Council's non half hourly (sub 50kW) electricity supplies from 100 percent renewable sources through a fixed compliant framework agreement; and
- (iii) To award a six-month bridging contract with the existing LASER flexible supplier to allow a proportion of the supplies referred to in 2.1 (ii) above to switch to a flexible arrangement from 1st October 2016.

147 ITEMS REFERRED FOR COUNCIL

147.1. No items were referred to the March council meeting.

The meeting concluded at 5.30pm

Signed

Chair

Dated this

day of

2014

Subject: Petitions
Date of Meeting: 19 March 2015
Report of: Head of Law & Monitoring Officer
Contact Officer: Name: Ross Keatley Tel: 29-1064
E-mail: ross.keatley@brighton-hove.gcsx.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

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

2. RECOMMENDATIONS:

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

3. PETITIONS

- 3.1 Notified petitions:

(i) Continuation of Stanmer Park Horse Rescue Centre (SPHRC)

To receive the following petition signed by 20 signatures:

“SPHRC is a self-funded final sanctuary for horses that have been abandoned or passed on by the RSPCA and is now under threat of closure by Brighton & Hove City Council.”

Lead Petitioner: Ann Markwick, Stanmer Preservation Society

(ii) Compulsory Purchase Medina House, Kings Esplanade, Hove

To receive the following ePetition:

“In the dying days of Hove Borough Council late Victorian Medina House (1894) was sold to Sirius Taghan. Some 16 or so years on, and many failed planning applications later, the last saltwater bathhouse standing has also suffered two unexplained fires on its top floor.

The second of these fires occurred on the evening of 20th December, 2014 and was extinguished without the roof being breached or damaged (which the fire service feared could happen).

Medina House sits in the Cliftonville Conservation Area and is on the local list of buildings of local importance but it is not a Listed building (which many think it is). Its' Royal Doulton tiling has been removed/vandalised. Its' pool infilled with concrete. It has survived two fires under its roof and, with the surviving cottages of Sussex Road and Victoria Cottages abutting its back wall area it forms a single, untouched and unified heritage unit up to the Kingsway and Victoria Terrace (which is Grade 2 Listed).

It was built as a bath house. It was used for diamond cutting before it was sold to Sirius Taghan. Ideas for conversion have included: art gallery, boutique hotel, housing and a spa.

As a result of a saveHOVE petition and campaign, a Planning Brief was created by Brighton & Hove City Council which recognises its worth as a building to retain. It is time this building was restored and brought back into use and the present owner refuses to do it. Before any more damage accrues, the time has come for Brighton & Hove City Council to step in and buy it by compulsory purchase order.”

Lead Petitioner: Valerie Paynter - SaveHOVE

Councillor Jason Kitcat – Leader
Brighton & Hove City Council
Grand Avenue
Hove

8 March 2015

Dear Cllr. Kitcat,

Local Transport Plan 4 Draft

Transport officers will be aware there have been ongoing discussions between Rottingdean Parish Council and officers on the traffic levels in Rottingdean practically in the High Street.

The aim is to reduce air pollution, which is already above EU limits, and problems of traffic in Rottingdean.

At a meeting on the 10 February with the Parish Council, Sam Rouse Senior Technical Officer, Air Quality produced evidence to show that there were over 14,000 vehicles a day using the High Street in Rottingdean.

Andy Renault went on to explain there was clear enough information already available, given that the High Street AQMA has been declared, queuing and congestion was apparent and the area was a recognised local shopping centre in the City Plan.

I would respectfully request that given the focuses set out in the draft LTP4, these issues appeared sufficient to indicate that further consideration needs to be given to looking at Rottingdean alongside other locations with similar characteristics.

Yours sincerely,



Cllr. Mary Mears

Subject:	Brighton & Hove City Council Corporate Plan and Medium Term Financial Strategy 2015-2019		
Date of Meeting:	19 March 2015, Policy & Resources Committee 26 March 2015, Full Council		
Report of:	Chief Executive		
Contact Officer:	Name:	Matthew Wragg	Tel: 29-3944
	Email:	matthew.wragg@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Corporate Plan is part of the council's policy framework. The Corporate Plan 2015-19 sets the overall direction for the council over the coming four years, describing our purpose as the local authority for the city. It also sets out our vision, principles and priorities, which are shared with Brighton & Hove Connected (the city's public, community and private sector partnership).
- 1.2 The council's Budget (2015/16) and new Directorate Plans have been developed with the Corporate Plan and the Medium Term Financial Strategy. This aligns our purpose, principles and priorities with strategic investment in services, addressing the severe financial challenges facing the council and how these will be met through modernisation and prioritisation.
- 1.3 A draft version of this Corporate Plan was approved by Policy & Resources Committee on 04 December 2014. It was recommended that the final version of the Corporate Plan and Medium Term Financial Strategy 2015-19 be referred back to Policy & Resources Committee, after Budget Council in February 2015, for consideration. The Corporate Plan would be referred to Council for approval.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee:
 - (i) Approve the Medium Term Financial Strategy 2015-19 set out in Appendix 2.
 - (ii) Consider the Corporate Plan 2015- 2019 set out in Appendix 1 and recommend it with or without amendment to Council for approval.
- 2.2 That Council approve the final version of the Corporate Plan 2015-19.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Corporate Plan is part of the council's policy framework. The Corporate Plan 2015-19 sets the overall direction for the council over the coming four years, describing our purpose as the local authority for the city.

Our purpose is to provide strong civic leadership for the wellbeing and aspiration of Brighton & Hove.

We will be successful if we are judged to deliver:

A good life

Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.

A well run city

Keeping the city safe, clean, moving and connected.

A vibrant economy

Promoting a world class economy with a local workforce to match.

A modern council

Providing open civic leadership and effective public services.

- 3.2 It also sets out our vision, principles and priorities, which are shared with Brighton & Hove Connected (the city's public, community and private sector partnership).

Our vision

Brighton & Hove – the connected city. Creative, dynamic, inclusive and caring. A fantastic place to live, work and visit.

Our principles

- Public accountability
- Citizen focussed
- Increasing equality
- Active citizenship

Our priorities

- Economy, jobs & housing
- Children & young people
- Health & wellbeing
- Community safety & resilience
- Environmental sustainability

- 3.3 The council's Budget (2015/16) and new Directorate Plans have been developed with the Corporate Plan and the Medium Term Financial Strategy. This aligns our purpose, principles and priorities with strategic investment in services,

addressing the severe financial challenges facing the council and how these will be met through modernisation and prioritisation.

3.4 The Corporate Plan is a key part of the council's budget and business planning process. New, directorate level plans will be produced annually to support delivery of the Corporate Plan 2015-19.

3.5 The stages of the budget and business planning process are as follows:

Plan/strategy	Month
Brighton & Hove – the connected city (Brighton & Hove Connected, the Sustainable community strategy)	3 yearly
Brighton & Hove City Council Budget	February (Annual)
Corporate Plan 2015-19	March 2015 (4 yearly)
Directorate Plans	March (Annual)
Service plans (Corporate Management Team level or service level, at Director discretion)	March (Annual)
Individual staff performance and development plans	April (Annual & mid year review)

3.6 Progress against the plan will be monitored through the council's Performance and Risk Management Framework, including 6 monthly performance updates to Policy & Resources Committee.

3.7 Resident/customer satisfaction measures, such as the City Tracker survey (an annual perceptions survey of 1000 residents about the city, council and other public services), will also be used to monitor delivery of the Corporate Plan.

3.8 A draft version of this Corporate Plan was approved by Policy & Resources Committee on 04 December 2014. It was recommended that the final version of the Corporate Plan and Medium Term Financial Strategy 2015-19 be referred back to Policy & Resources Committee, after Budget Council in February 2015, for consideration. The Corporate Plan would be referred to Council for approval.

3.9 Comments received on the plan since December Policy & Resources Committee have been reflected in the production of the final version of the Corporate Plan. This updates the wording and presentation of purpose, principles and priorities, as laid out in paragraphs 3.1 and 3.2, above.

3.10 While the Medium Term Financial Strategy shows that there is a significant budget gap to address over the next 5 years, amounting to £102 million, it also shows that the council's General Fund budget will continue to provide gross service spending in excess of £300 million each year.

3.11 The focus of the Medium Term Financial Strategy is therefore on where this substantial revenue spending will continue to be invested to provide essential public services and support the business and visitor economies

- 3.12 This is supported by a 10 year Capital Strategy that will identify capital schemes to support Corporate Plan priorities and show the associated resource projections and gaps that will need to be addressed through government grants, funding bids, financing strategies and/or public private partnerships (PPPs).
- 3.13 The Medium Term Financial Strategy sets out the resource projections for the period including taxation revenues. Council Tax levels are a matter for local decision and may therefore vary throughout the period of the strategy
- 3.14 For the purposes of projecting revenue resources, the Medium Term Financial Strategy therefore assumes the highest level of resources available from Council Tax each year without triggering a referendum.
- 3.15 The Medium Term Financial Strategy has been revised from the previous draft presented to Policy & Resources Committee to take into account the Local Government Financial Settlement announced in February along with the budget agreed at Budget Council and this has altered some of the resource projections.
- 3.16 The MTFFS includes a revised capital programme which was approved at Budget Council and incorporated changes agreed in the Targeted Budget Management (TBM) Month 9.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Corporate Plan is part of the council's policy framework. Based on previous plans the intention for 2015-19 is to provide a more concise plan with a clearer focus on the council's purpose, service modernisation and prioritisation to meet the challenges ahead.
- 4.2 This is aligned to city principles and priorities agreed in the Sustainable community strategy. Specific options for areas of investment identified in the plan will be developed, with partners and city partnerships, to ensure the best use of overall community, public and private sector resources in the city.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Corporate Plan and Medium Term Financial Strategy were presented together in draft to Policy & Resources Committee in December 2014 to consult committee at an earlier stage in their joint development, along with 2015/16 budget proposals.
- 5.2 Comments received on the plan since December Policy & Resources Committee have been reflected in the production of the final version of the Corporate Plan. Consultation on the budget and any subsequent changes to budget proposals has influenced investment areas identified in the Corporate Plan and Medium Term Financial Strategy.

6. CONCLUSION

- 6.1 Policy & Resources Committee are recommended to approve the Corporate Plan and Medium Term Financial Strategy 2015-19.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Corporate Plan 2015-19 and Medium Term Financial Strategy set the context within which the budget setting process for 2015/16 has been undertaken. The investment plans were therefore reflected in the 2015/16 budget proposals and draft Medium Term Financial Strategy to ensure that spending priorities are aligned with the plan. Monitoring progress against performance measures is a key element of the Performance and Risk Management Framework; any financial risks or resource requirements identified as a result will be considered in budget monitoring and in developing future years' budgets.

Finance Officer Consulted: James Hengeveld *Date: 10/03/15*

Legal Implications:

- 7.2 Policy & Resources Committee has responsibility for formulating the Corporate Plan, whereas formal approval of the final version is a matter reserved to full Council.
- 7.3 Policy & Resources Committee has authority to agree the Medium Term Financial Strategy.

Lawyer Consulted: Oliver Dixon *Date: 27/02/15*

Equalities Implications:

- 7.4 Equalities implications are described in the plan under the principle of Increasing equality. Areas of investment identified in the plan, as well as consideration of tough decisions ahead, will be subject to Equalities Impact Assessments as subsequent budget proposals are brought forward during the course of the plan.

Sustainability Implications:

- 7.5 Sustainability implications are described in the plan under the priority Environmental Sustainability.

Any Other Significant Implications:

Crime and Disorder Implications

- 7.6 Crime and disorder implications are described in the plan under the priority *Community Safety & Resilience*.

Risk and Opportunity Management Implications

- 7.7 Progress against the plan will be monitored through the council's Performance and Risk Management Framework.

Public Health Implications

- 7.8 Public health implications are described in the plan under the priority *Health & Wellbeing*.

Corporate / Citywide Implications

- 7.9 The Corporate Plans sets out the overall vision, purpose, principles and priorities for the council which are aligned to the city's Sustainable Community Strategy.

SUPPORTING DOCUMENTATION

Appendices:

1. 'The way ahead', Brighton & Hove City Council Corporate Plan 2015-19
2. Brighton & Hove City Council Medium Term Financial Strategy 2015-19

Documents in Members' Rooms

1. None

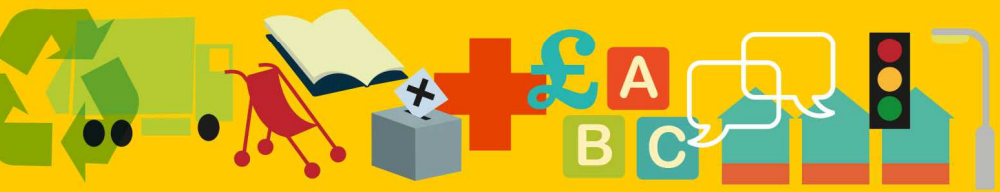
Background Documents

1. [Brighton & Hove – the Connected City](#) (the Sustainable community strategy for Brighton & Hove)

Brighton & Hove City Council

The way ahead

Corporate Plan 2015-2019



The city's vision is the council's vision

“Brighton & Hove – the connected city.
Creative, dynamic, inclusive and caring. A
fantastic place to live, work and visit”

Vision of Brighton & Hove Connected

We have adopted the city's partnership vision, principles and priorities for the council's own Corporate Plan. Along with our purpose and our values we use these to help us plan, budget, deliver and review our services to drive the way ahead for the organisation.

Cover image of Trans Pride march courtesy of Sharon Kilgannon



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Introduction

Welcome,

Our 2015-19 Corporate Plan explains the way ahead for the council at a time when local government nationally is going through enormous change. Brighton & Hove has fared better than some cities through the recession, but the cost of living is still difficult for many people and families.

Council services are under huge pressure as the local population grows, demand increases and our funding reduces by a predicted £102 million over the next four years. This on top of £77 million already taken out of the council's budget over the last four years.

We have done what we can to maintain services up to this point. Without more radical action the rising costs in social care alone, which is clearly some of our most vital work, mean that we, along with other councils, will face serious financial risk.

We must aim much higher than trying to remain the same. With a decreasing budget, we are open that the council will shrink in size, employing fewer people over the coming years. The relationship between the council, partners, providers and citizens needs to adapt.

The emphasis is on us, the council, releasing more of the control that we have traditionally held, collaborating increasingly with partners and enabling citizens to be active and do more for themselves.

We must make sure the public services collectively provided for the city are right and fit for modern, digital expectations; built around the individual, accessible when and how people want them.

Above all, our purpose is to provide strong civic leadership for the wellbeing and aspiration of Brighton & Hove. Through everything that we do we will focus on, and be clear about, how we are meeting our purpose.

Tough choices have to be made, through each coming budget round, about what the council can and cannot continue to deliver, who might be better placed to provide services, or whether they should be provided at all.

We have begun an open discussion about the future through our [Stop, Start, Change](#) budget campaign.

Change is hard and we recognise that. Our staff work incredibly hard for services they believe in. We need to look for opportunities with staff and public to find different ways, potentially to take on services themselves.

The council is and will remain an important part of life in this city. We have the opportunity and the potential to help realise the shared partnership vision of a connected city. We have a unique and democratic duty to represent the best interests of our citizens, to which we are committed.

It is why we have adopted the city's vision, principles and priorities in our own Corporate Plan. We will use this plan to shape services as we forge our way ahead. More detail will follow in our Directorate Plans, published each year.

Most importantly let us know what matters to you, about your ideas for the council's and the city's future.



Greater Brighton

The Greater Brighton city region



The wellbeing and aspiration of Brighton & Hove depends on greater collaboration with our partners and neighbours, to raise the profile and strength of our collective economy and our social and natural assets, within the South East and the UK.



Our purpose...

Our purpose is to provide strong civic leadership for the wellbeing and aspiration of Brighton & Hove.

We will be successful if we are judged to deliver:

A good life

Ensuring a city for all ages, inclusive of everyone and protecting the most vulnerable.

A well run city

Keeping the city safe, clean, moving and connected.

A vibrant economy

Promoting a world class economy with a local workforce to match.

A modern council

Providing open civic leadership and effective public services.

The same types of challenges faced by our council and the city are driving debates both here and across the country about what councils should be doing and how they should be doing it.

The dilemma is that council services, and public services more generally, cannot continue in the same way, since public spending is reducing, populations growing and costs rising.

In order to respond to the challenges and to meet our purpose, by 2020, our council will:

- become a **smaller**, more efficient organisation, working as one, with a reduced budget, fewer employees and fewer services provided directly by us;
- **collaborate** more with other public services, the community and voluntary sector and businesses to find common and jointly owned solutions;

- positively **enable** more citizens to play an active role in the creation and provision of services for their local community;
- create a more connected council with more **shared** services, with other providers and other places.

Through everything that we do we will focus on, and be clear about, how we are meeting our purpose.

The work to deliver our purpose is undertaken using our principles and priorities described in our Corporate Plan, which we share with the city's partnerships through [Brighton & Hove Connected](#).



...and our values

Our future workforce needs the skills to provide public services differently, through greater collaboration with partners and communities.

The pace of change requires our staff to be highly flexible and respond positively to changes, despite the difficult context, in ways

that improve performance and achieve better outcomes and value for citizens.

We commit to develop our staff using our shared organisational values, to make a full contribution to the way ahead. We will work in partnership with Trade Unions to come up with the best approaches to achieve this.

Our values

Our values describe the professional behaviour required to modernise the council.

Collaboration

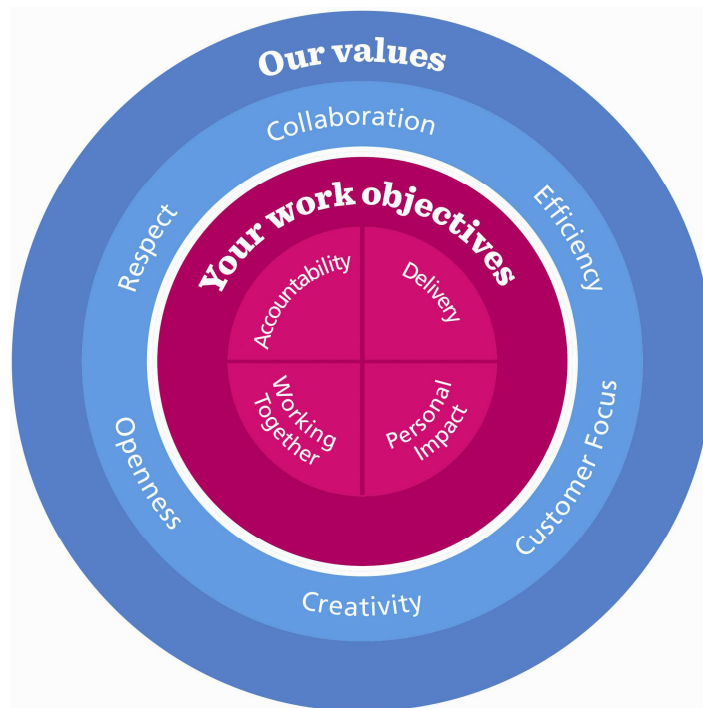
Work together and contribute to the creation of helpful and successful teams and partnerships across the council and beyond.

Respect

Embrace diversity with kindness and consideration, and recognise the value of everyone.

Openness

Share and communicate with honesty about our service and ourselves, whenever appropriate. Accept where we have to change in order to improve.



Efficiency

Work in a way that makes the best and most sustainable use of our resources, always looking at alternative ways of doing things.

Customer focus

Adopt our Customer Promise (below) for colleagues, partners, members and citizens.

Creativity

Have ideas that challenge the 'tried and tested', use evidence of what works, listen to feedback and come up with different solutions.

Our customer promise

"We will be easy to reach, be clear and treat you with respect, listen and act to get things done".



Foundations for the way ahead

Our recent achievements demonstrate how we are already collaborating to meet our purpose.



Tour of Britain cycle race

Increased our international sporting offer, bringing £1.3 million into the city's economy



Trans equalities work

Award winning activity to raise awareness of Trans issues and promote Trans equality



Soundcity

Lead organisations for music in the city working together, with our Music & Arts service as lead partner



Sustainable transport

Civitas Transport City of the Year for initiatives to promote clean transport, including personal travel planning



The i360

Work begun to build the i360 with a loan secured by the council that will return future income for services



Money Works

A new platform to reduce financial exclusion and promote sound financial help for residents



Our principles

Our principles build on those shared by the city's partnerships, to deliver our purpose.

- Public accountability
- Citizen focused
- Increasing equality
- Active citizenship



Public accountability

What do we want to achieve?

A council that works with, and is answerable to, citizens and partners.

This means:

1. Upholding the democratic principles of our constitution, ensuring we represent and reflect communities and citizens who elect councillors and pay council tax.
2. Demonstrating civic leadership through key local and national partnerships, including [Brighton & Hove Connected](#), the [City Management Board](#), the [Health & Wellbeing Board](#), the [Greater Brighton Economic Board](#) and [Key Cities](#).
3. Driving an organisational culture based on our shared values, where performance of self, others and services is well managed.
4. Strengthening our partnership delivery arrangements and building collaborative, trustful and empowering relationships between council and citizens.

How are we doing?

A summary of evidence for this principle tells us:

The number of residents who turned out to vote in recent local elections was in line with the national average, at roughly 40 per cent.

In 2014, just over half of residents said they trust the council a “great deal” or “a fair amount”, which is lower than the average at 59 per cent.

One third of residents agree that the council provides value for money, while one third disagree.



Public accountability (continued)

How do we plan to invest?

We will:

- Continue our value for money programme to reduce service costs in key areas and show that council tax is well spent.
- Demonstrate that we learn from our actions, reviewing and evaluating performance to address things that work well and those that do not.
- Use our assets, property and land to the best financial effect, supporting collaboration in future service delivery and enabling coordinated investment and regeneration in the city.
- Lead progress with partners on future funding relationships between local public services, and capitalise on growth and opportunities in the private sector economy.
- Compare and scrutinize our services against other councils and providers, with input from communities and citizens.
- Establish Brighton & Hove and the Greater Brighton city region's profile as a UK economic and skills leader, and visitor destination.

Tough choices ahead

We have legal and moral obligations to the city and citizens to uphold their interests, provide services and value for money. As the population and the economy grow, as needs vary and public spending reduces, we need to be open about, and accountable for, decisions that affect people's lives.

With reduced funding we must balance our responsibility for society and the economy generally with the needs of those who are most vulnerable. Our collective expectation needs to be that public services, communities and the private sector sustain each other and equity in the city. Democracy is central to deciding our city's future and we need to ensure it reaches and is accessible to everyone.



Citizen focused

What do we want to achieve?

A council that starts from the citizen's point of view, making services simpler, more connected and more personal.

This means:

1. Knowing what drives demand for public services by engaging with our diverse communities and understanding how effective services are in meeting their needs.
2. Making interaction between citizens and the council more straightforward, with our service offer built around online and mobile access, ensuring access for those who are not online as well.
3. Building more collaborative relationships between the council and citizens, designing, producing and delivering services together with them.

How are we doing?

A summary of evidence for this principle tells us:

We are behind other councils in terms of general satisfaction with key services, although recent customer surveys do show the majority of respondents rated the standard of service they received as “very good”.

The ease with which people say they can access services falls behind levels of satisfaction.

Online transactions by customers with the council increased by two thirds between 2010-11 and 2013-14.

In 2013-14, the council received 1850 service complaints, of which 40% were upheld. In those cases the council gave an apology, an explanation or took specific action to resolve the complaint. During the same time 570 compliments about services were recorded.

A high proportion of residents use our libraries to access a wide range of council and public services, general information and the internet.

Over three quarters of our social care clients receive personal budgets, compared to half among similar local authorities.



Citizen focused (continued)

How do we plan to invest?

We will:

- Create a single digital strategy for the organisation, which will determine how all services are provided and accessed by customers.
- Develop our modernisation boards, focusing projects and programmes across the council to drive change and improvement in key areas.
- Review our model of central services provision within the council to ensure it supports modernisation across the whole organisation.
- Use the [Stop, Start, Change](#) budget work we have begun to radically redesign and change how services are delivered, putting citizens and businesses at the centre.
- Prioritise services to provide earlier, more accessible and preventive support to vulnerable people and families, avoiding more complex problems before they arise.

Tough choices ahead

The expectations of a modern, digital society have completely transformed the way information and commercial services are provided and consumed. The way in which council and other public services are set up to interact with customers, our citizens, has not sufficiently kept pace.

Digital technology undoubtedly holds the potential to create a completely personalised experience of public services, driven by a clear understanding of the needs of citizens. But significant investment is needed to purposefully make the transition, at a time when difficult decisions must be made about reducing services that reach people in very personal and critical ways.

Meaningful engagement and collaboration is vital to the future of citizen focused service provision, giving people more say over services they receive and pay for, and also what they would be prepared to do for themselves. Through civic leadership we must unlock resources to realise communities' potential and their will to get involved, at the same time as protecting those most vulnerable or excluded from society.



Increasing equality

What do we want to achieve?

A more equal city, where everyone is respected and shares in the city's prosperity.

This means:

1. Closing the gap in prospects between different communities, ensuring people are not disadvantaged because of where they live or their personal circumstances.
2. Ensuring people are not discriminated against because of their identity, such as their age, gender identity, ethnicity, sexual orientation, disability or religion or belief.
3. Understanding our growing and diverse population, changing our approaches to engagement and public services accordingly.
4. Promoting equality and good relations between communities and diverse groups as a civic leader, a provider of services and as an employer.
5. Coordinating different council and other public services better, to tackle inequality and protect the most vulnerable people in society.

How are we doing?

A summary of evidence for this principle tells us:

Inequality

Life expectancy is in line with the national average, with more people living longer, but reduces by up to nine years between the most and least deprived communities on the city.

One in five children and young people in the city live in poverty, rising to one in two in the most deprived areas.

Almost three quarters of households cannot afford housing (either to buy or rent) without a subsidy or spending a disproportionate level of their income on housing costs.

Inequality is spread across the city, and not limited to more deprived areas.

There has been a rapid increase in food banks in the city from two to 12 over an 18 month period. Around one in eight households are thought to experience fuel poverty.

Diversity

The city's population is growing and now stands at 278,100. It is expected to increase to 289,600 by 2019 and to 300,400 by 2025.

Black and Minority Ethnic communities made up 12 per cent of all residents in 2001, rising to 20 per cent in 2011.

A high proportion of residents are Lesbian, Gay or Bisexual; we had the highest number of people in same-sex civil partnerships nationally in 2011.

Sixteen per cent of residents report that they are disabled or have a long term health problem that limits their day-to-day activities to some degree.

A very high proportion of residents, 42 per cent, have no declared religion compared with 25 per cent in England as whole.



Increasing equality (continued)

How do we plan to invest?

We will:

- Coordinate services and spending better between public services to improve equality, for example through the [Health and Wellbeing Board](#) and the Local Housing Investment Plan.
- Meet our statutory equalities obligations and use information about our changing population better to review, plan and deliver services.
- Pay our employees the Living Wage, continuing our plan for council contracts, and support to the city wide campaign.
- Tackle financial exclusion through coordinated support across the council, and through our community and voluntary sector partnership with [Money Works](#).
- Use council resources flexibly to respond as best we can to national changes in welfare provision for some of our most vulnerable citizens and families.
- Continue our work to create a better understanding of the needs of Trans, Black and Minority Ethnic and disabled communities, and use it to tailor service provision.
- Invest in early intervention and prevention for vulnerable families to ensure better long term outcomes and reduce the cost of expensive interventions once families reach crisis.
- Maintain a combined approach to sustainability for the city which includes protecting the health and wellbeing of people and communities as well as the environment.
- Improve our engagement with communities of interest and identity to foster good relations across the city, and tackle discrimination and prejudice.

Tough choices ahead

Reductions in public spending have the potential to disproportionately affect some groups more than others. We use Equality Impact Assessments as we set our annual budget to carefully assess the impact of changes to services on protected groups. This enables us not only to bring forward proposals that have the least impact but also that enable us to work differently with partners and communities to mitigate such impacts wherever possible.



Active citizenship

What do we want to achieve?

A city people take pride in, where citizens, communities and businesses are active in addressing things that matter to them.

This means:

1. Engaging residents and businesses in council and partnership decision making, increasing participation by children and young people in particular.
2. Moving beyond council engagement as a transactional approach to more collaborative and empowering relationships with our diverse communities.
3. Recognising the role community and voluntary groups play in engaging our communities and most vulnerable citizens, supporting residents to shape services.
4. Promoting the social and economic value of volunteers and community groups, creating more volunteering opportunities in the city and supporting more people to volunteer.

How are we doing?

A summary of evidence for this principle tells us:

Residents are highly satisfied with the city and their local area.

They feel they belong to their local area, that people from different backgrounds get on well together and that people pull together to improve their neighbourhoods.

Residents report a high level of civic participation. They think it's important that they can influence decisions that affect their local area and higher than average proportions think they can.

Around one in seven adults report being involved with groups which makes decisions within their local community and around a third of residents volunteer their time on a formal basis, whilst others do so informally.



Active citizenship (continued)

How do we plan to invest?

We will:

- Modernise democratic processes for politicians and participants, reviewing meeting arrangements and councillor allowances and childcare.
- Use the learning from our Neighbourhood Council pilots to support collaborative working between our staff and citizens, to make decisions about services and local areas.
- Create a more business-like footing with the community and voluntary sector through better, more coordinated commissioning by the council.
- Develop genuinely engaging and collaborative approaches with citizens for all service design and delivery.
- Engage people through coordinated consultation and research activity, using results to shape future service provision.

Tough choices ahead

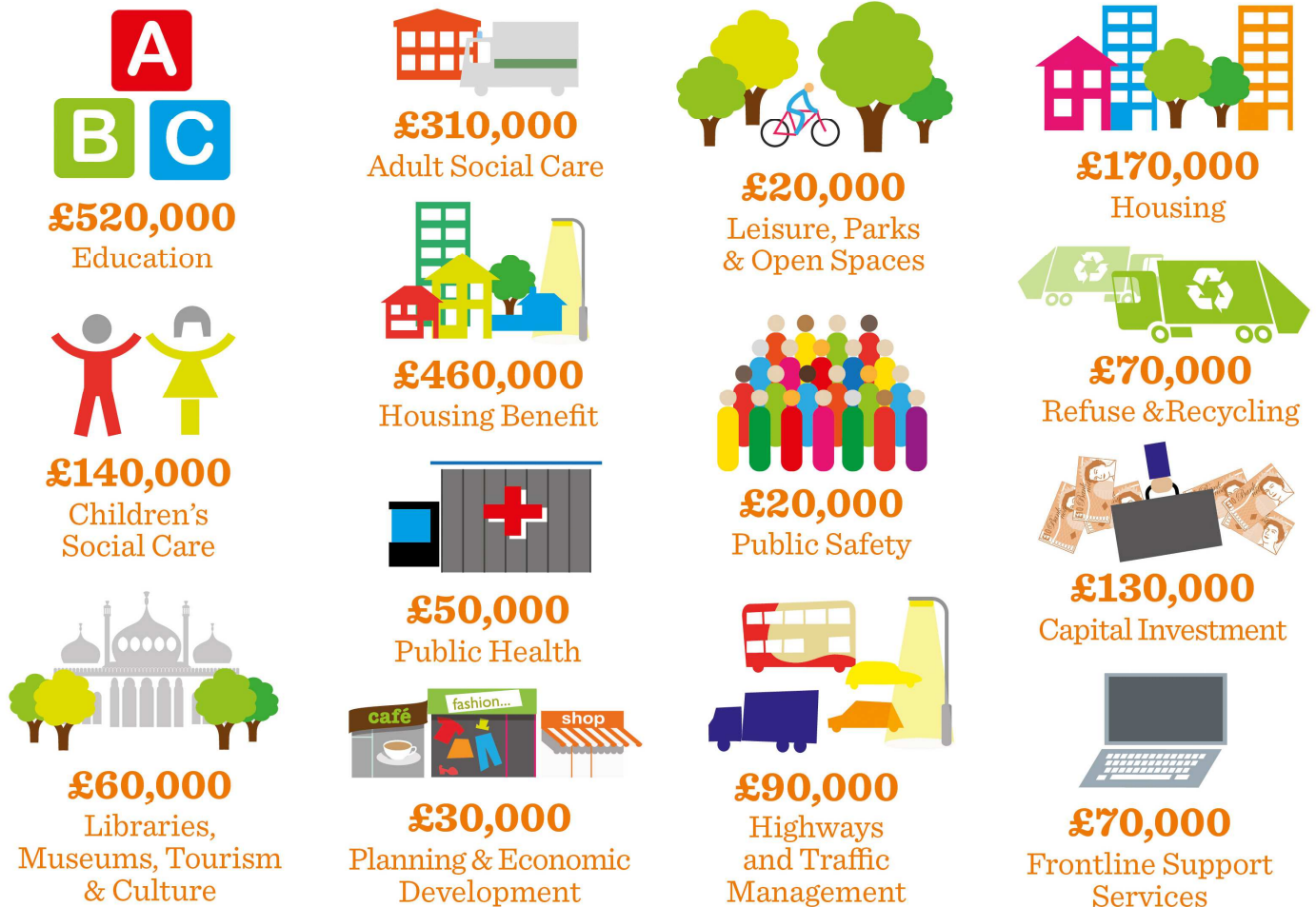
Many funding and commissioning streams accessed and delivered by the community and voluntary and business sectors are changing, reducing or stopping as a result of budget reductions. These changes provide opportunities for the council to work differently with all sectors, for example, on new approaches to managing rising demand and enabling active citizenship.

The reductions have significant implications on the total resources available to support the community and voluntary sector, which will in turn impact on its future shape and capacity within the city. The council, in partnership with other public sector providers, will need to support the sector in responding to these challenges, to become more sustainable and better aligned to the changing requirements of citizens and public services.



Our services...

Daily spending on services



In 2014/15, £2.1 million was spent every day on council services. This includes additional funding and earned income which is generated specifically to help run services and meet the needs of the city. For example, approximately half of the money spent on Libraries, Museums, Culture & Tourism is brought into the council in this way.

The budget gap

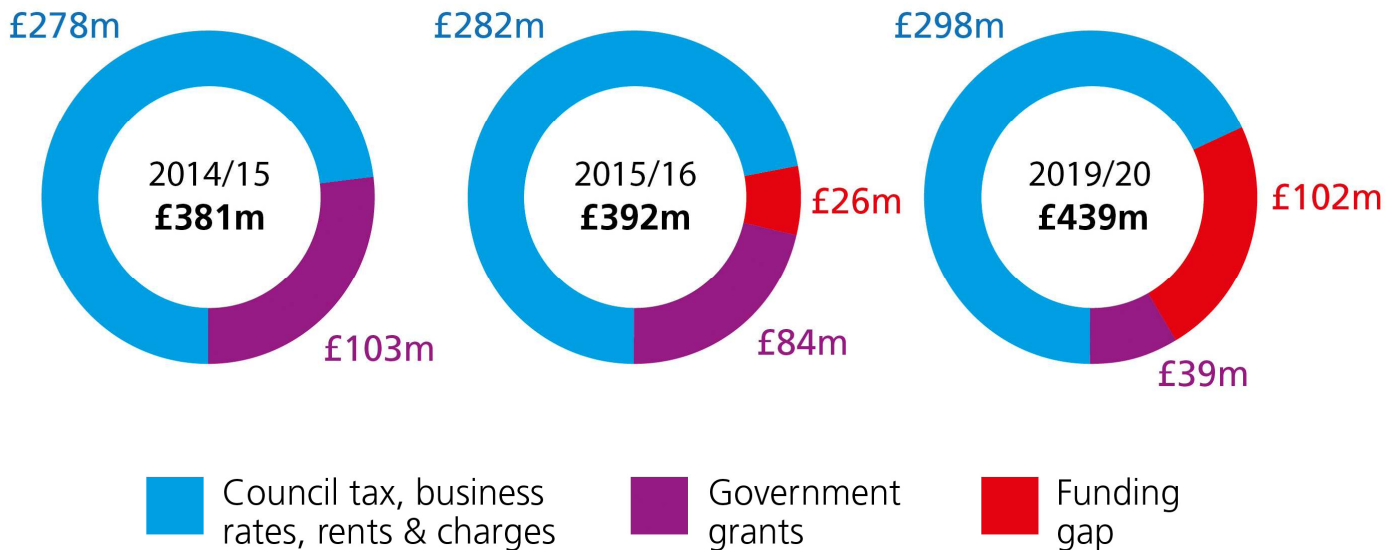
Of the council's total budget of £778 million in 2014/15, just over half, 51 per cent, is protected, or ring-fenced, to be spent only on education, housing benefit and council housing.

Our challenge is to reduce spending from the remaining 49 per cent. This is funded by council tax, business rates, government grants and fees and charges. It is spent on services like social care for vulnerable children and adults, libraries and transport.

Rising costs and demand for services along with reduced funding will result in a predicted budget gap of £102 million by 2019/20, assuming there is no increase in council tax. Between 2011/12 and 2014/15 we have already saved £77 million.



...and our spending



How do we tackle the gap?

Growth in the short term will make a small contribution:

- New homes means council tax payments are expected to increase by about 250 properties a year.
- Business rates will also grow, though much of this will be from smaller businesses who pay lower business rates.
- Fees and charges are expected to increase too, generating further income.

A change in central or local government in May 2015 would be unlikely to change the scale of the funding reductions. Savings have to be met by significantly reducing our spend on services now.

In the longer term we will transform how we operate as a council to improve outcomes for citizens and reduce our overall costs, leading partners in efforts to get people into employment as a route to improved health, family stability and reduced need for social care.

Our approach fits with the government's intention that as a council and city we become financially more self-sufficient through growth, community involvement and increased civic participation.



Foundations for the way ahead

Our recent achievements demonstrate how we are already collaborating to meet our purpose.



Withdean Sports Complex
State of the art sports and climbing facilities with £2.7 million partnership investment



Greater Brighton City Deal
Secured government investment in the city region, unlocking 8,500 jobs and £173 million for a network of growth centres




Hove Junior School, Holland Road site
Secured and redeveloped a former police station for new junior school places in an area with high demand



Healthwalks
Queens Award for Volunteering as a route to good health and wellbeing and co-providing public services



Same sex weddings
First same sex wedding publicised to promote the city and council as progressive and equal



UN Brighton & Lewes Downs Biosphere
UN recognition and designation of our unique environment, connecting people with nature



Our service priorities

Our priorities are shared with city partnerships and focus our specific efforts to meet our purpose.

- Economy, jobs & homes
- Children & young people
- Health & wellbeing
- Community safety & resilience
- Environmental sustainability



Economy, jobs & homes

What do we want to achieve?

A strong, sustainable economy that creates employment opportunity along with decent, affordable housing.

This means:

1. Working with our Greater Brighton city region partners to build sustainable growth and investment, increasing economic resilience and generating more higher-paid jobs.
2. Improving local educational attainment and local access to skills training so that everyone can benefit from economic prosperity.
3. Bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the city region.
4. Investing in existing and new housing stock which supports residents and families to live independently in decent accommodation.
5. Using our international [UN Biosphere Reserve](#) status and our cultural offer to promote the city region as a unique, international destination.

How are we doing?

A summary of evidence for this priority tells us:

The city's economy has sustained a strong and growing business base with very high business start-ups.

The majority of businesses are smaller businesses and a high number of residents are self-employed.

Unemployment is low, but we have relatively high proportions claiming out of work benefits. Our wage levels are low compared to those of the region.

The housing market is strong and property values are rising, but housing is unaffordable for the majority of residents, supply is restricted and many households are in private rented accommodation, much of which is poor quality.

Our unique arts and cultural offer, including the Brighton Pavilion and Dome, attracts residents and over eleven million visitors each year who bring around £800 million to the local economy.

An estimated 39 million visitor days are spent in the South Downs each year and 12 million people visit the Brighton & Lewes Downs biosphere area.



Economy, jobs and homes (continued)

How do we plan to invest?

We will:

- Create future job and business growth through joint investment, accessing new funding via the [Greater Brighton Economic Board](#), [Coast to Capital](#) local enterprise partnership and EU funding.
- Improve the city's digital infrastructure to support modern business growth while reducing travel to ease traffic congestion and improve air quality.
- Bring forward plans for key development sites, including Preston Barracks, Circus Street Market and New England House, linked to job growth and skills.
- Draw in new partnership investment to develop the Royal Pavilion Estate, sustaining this unique site's importance as the heart of the city's cultural offer and identity.
- Regenerate the seafront to preserve the city's reputation and visitor economy through key sites, including the i360, Brighton Centre, Black Rock and King Alfred Leisure Centre.
- Make better use of our entire commercial property and land portfolio to promote coordinated business growth.
- Draw in external investment for our downland estate and city parks and open spaces, including developing Stanmer Park as a major gateway from the city into the [South Downs National Park](#).
- Maintain a quality built environment through a modern planning service to enable growth and promote social health and wellbeing.
- Enable development of new, affordable homes, including new council homes, working with government, registered providers and other partners to maximize investment.

Tough choices ahead

The city is sustaining growth and optimism in its economy with sizeable investment and commitments secured from the government, with the possibility for further devolution if we continue to plan and work together with other councils and partners across the Greater Brighton city region.

The council is already committed to long term investment to renew and strengthen the infrastructure of the city, which is particularly evident on the seafront. If the city is to achieve its economic potential over the next decade the council will need to work with private investors to secure joint funding. In a challenging financial context for public services as a whole it does mean choosing to commit public capital and revenue resources to improve the infrastructure of the city.

Fortunately there are helpful income incentives to do this, including increased business rate and council tax returns, and income from council land and property assets. Strong civic leadership by the council to enable publicly acceptable investment and growth which is clear on the benefit for local people, public services and the environment will be essential for a healthy social and economic future.



Children & young people

What do we want to achieve?

Children and young people have the best possible start in life, growing up happy, healthy and safe with the opportunity to reach their potential.

This means:

1. Providing high quality education that creates skills for life and work.
2. Keeping children and young people safe, at home and in learning and social environments.
3. Helping children and young people access appropriate social and cultural opportunities to become active and responsible citizens.
4. Creating the best opportunities for children and young people in care, fulfilling our role as a good 'corporate parent' to them.
5. Ensuring that, where children and families require support, we provide early help services that make a difference.
6. Working in strong partnerships across the city, for example, in relation to integrated services for children with special educational needs or with a disability.
7. Using participation and engagement with children and young people to shape the delivery of public services.

How are we doing?

A summary of evidence for this priority tells us:

Achievement in primary schools is above the national average.

Achievement in secondary schools is below national expectations and what young people need to prepare them for further education and employment.

Attainment for pupils receiving Free School Meals, in care, with Special Educational Needs and from some Black and Minority Ethnic groups is worse than for their peers.

Attainment at 19 is in line with the average, as is the proportion of 16-18 year olds not in employment, education or training.

We are supporting families on low incomes with two year olds to take up their free childcare places effectively.

Over two-thirds of two to two and a half year olds received a health visiting review, which is slightly higher than the national average though below our own target.

Breastfeeding rates in the city are the best in the country.

There are high rates of children in need and in care.

Our Stronger Families programme, which works with vulnerable families, is exceeding targets.

Over three quarters of our schools are judged good or excellent by OFSTED.



Children & young people (continued)

How do we plan to invest?

We will:

- Plan and deliver sufficient school places, with a focus on secondary places.
- Improve secondary attainment, linked to skills for the workplace and the developing city economy, closing the gap in attainment for vulnerable students.
- Provide early help advice and support for public agencies on child protection issues, including schools.
- Embed and further improve our multi-agency response for safeguarding, to reduce the rate of re-referrals to below the national average.
- Review support for children and young people with special educational needs and disabilities to develop improved and joined up services.
- Review our services for children and young people with emotional wellbeing and mental health needs.
- Develop more personalised services for children and their families.

Tough choices ahead

Services for children and young people account for a very large part of the council's budget. Money received for education is protected, whereas spending on social care is part of the general budget. We have prioritised spending on vulnerable children and young people to keep them safe, but costs are rising and it is not sustainable to continue spending as much as we do.

We must ensure that the resources we deploy are better aligned with our key partners, and that we have evidence that it makes a difference. Over the next four years we must also work to empower communities to be able to do things for themselves.



Health & wellbeing

What do we want to achieve?

Healthy citizens and communities, who are active, protected and included in society.

This means:

1. Promoting healthy choices and lifestyles to keep people well and prevent long term health conditions.
2. Encouraging leisure activity, outdoor recreation and active travel as part of good physical and mental health and making the most of the city's unique cultural and natural offer.
3. Creating a city for all ages, young and old, that is inclusive, accessible and promotes active lifestyles for everyone.
4. Providing better care services for older and vulnerable people, focused on personal choice and staying independent.
5. Safeguarding our most vulnerable children and adults from neglect and harm.
6. Ensuring the city's housing stock is well managed and good quality, to support independence, health and wellbeing, and avoid homelessness.

How are we doing?

A summary of evidence for this priority tells us:

There are high levels of tobacco, alcohol and drug use in the city, but the rate of alcohol related hospital admissions has been declining since 2012.

There are high rates of common sexually transmitted infections.

There has been a reduction in the proportion of older people in the population, but a rise in the number of adults with complex needs.

The city compares well for residents being a healthy weight, but obesity and associated illnesses are predicted to be the biggest public health challenge for the future.

The majority of residents report medium or high satisfaction with life, but there are high numbers of people with mental health needs and people at increased risk of mental health issues.

Over three quarters of our social care clients receive personal budgets, compared to half among similar local authorities.

There has been an increase in delayed transfers of care, where a person who is ready to return home or transfer to another form of care still occupies a bed, though this is also the case nationally.

A lower rate of adults, aged 65 or more, have been permanently admitted to residential and nursing care homes compared to similar areas.

Almost half of carers received assessments and services, or advice and information in 2013/14, which is significantly better than other similar local authorities.

100% of the council's housing stock has been brought up to Decent Homes standard, but one third of the city's housing stock remains non-decent in the private sector.



Health & wellbeing (continued)

How do we plan to invest?

We will:

- Coordinate approaches to health and wellbeing priorities across the council and its partners, managed through the new and developing [Health and Wellbeing Board](#).
- Improve the health of the population and reduce costs of long term health conditions by ensuring effective programmes for obesity, smoking, drugs and alcohol and sexual health.
- Personalise approaches for adult social care, to promote greater independence and meet new assessment requirements in Better Care and Care Act legislation.
- Provide better advocacy, information and advice for social care clients and informal carers.
- Create supported housing to promote independence and reduce the need for acute and residential care services.
- Improve health and social care outcomes for people experiencing homelessness, as part of our Better Care programme.
- Review support for disabled adults and children, ensuring effective and value for money services.
- Use community buildings, such as our libraries, to promote health and wellbeing and co-locate facilities and services.
- Continue to promote the city's cultural, sporting, outdoor and active travel offers, with a focus on communities where health inequality is more common.

Tough choices ahead

People in the city are living longer which is good news, but public services are dealing with increasing numbers of people with complex health needs. In addition massive changes are underway nationally to the social care system, creating new duties for the council in relation to people who fund their own care and informal carers. We estimate there are about 2,000 people in the city who currently fund their own care needs and who would become eligible to seek assessment and financial support from the council.

To meet this increased demand, our statutory duties and provide better outcomes for local people requires radically new and innovative approaches to the commissioning and delivery of care services. This can only be achieved by working in partnership with other public bodies, the community and voluntary sector and the private sector. The Better Care programme will allow us to provide better health outcomes for vulnerable people, which avoids hospital or care home admissions.



Community safety & resilience

What do we want to achieve?

A tolerant and cohesive city, safe from crime, disorder and discrimination.

This means:

1. Working with and empowering communities to prevent crime and disorder, including discrimination, hate crime, anti-social behavior and domestic and sexual violence.
2. Reducing risk and harm for those who are subjected to crime and disorder and working to address the risk factors and behaviours of perpetrators.
3. Protecting communities and victims, promoting good relations between communities and diverse groups.
4. Maintaining physically safe and inclusive neighbourhoods that encourage community activity and active citizenship, making the most of our open spaces and ensuring road safety.

How are we doing?

A summary of evidence for this priority tells us:

The city compares relatively well in terms of the number of crimes, but the city centre, with high concentrations of retail outlets, is a geographical focus for crime.

There has been a decrease in recorded violence against the person and a reduction in anti-social behaviour, but under-reporting by vulnerable or marginalised groups remains an issue.

Feelings of safety are comparatively high, but people do tend to feel less safe in the city centre than their local areas, especially after dark.

There has been a small rise in hate crimes, although this may be linked to better recording.

The number of young people entering the youth justice system for the first time has reduced, but there has been an increase in reoffending among some young people.

With partners we have successfully implemented the integrated offender management model, which dramatically reduced reconviction rates.



Community safety & resilience (continued)

How do we plan to invest?

We will:

- Build on our mature [Safe in the City](#) community safety partnership approach between council, police, health, community and voluntary sector organisations and businesses.
- Develop our work with communities, such as Local Action Teams, community forums and volunteers.
- Deliver effective programmes with partners to address hate crime, domestic and sexual violence and anti-social behaviour, and support those who have been affected.
- Continue to manage effective prevention through a range of different services, such as licensing and public protection, as part of our joined up health and wellbeing approach.
- Review options for further discretionary licensing of private rented homes, including Houses in Multiple Occupation, where evidence shows it will address poor standards or anti-social behavior.
- Keep children and young people safe, for example through our [Local Safeguarding Children Board](#), and provide support to reduce their chances of becoming offenders or reoffending.
- Protect vulnerable adults through the Adults Safeguarding Board, which reports to the [Health and Wellbeing Board](#).
- Offer cultural and leisure activities for the city that promote community cohesion and understanding.
- Promote a safe, inclusive city, recognising disaffection among young people in particular and the potential for radicalisation and extremism, for example through the One Voice partnership.
- Use our buildings and services in community settings, such as libraries, to foster positive relationships with public services and between different communities.

Tough choices ahead

Community safety and resilience is funded and directly supported through effective and mature partnership arrangements. As pressure on public spending and resources becomes more severe for all agencies we have to reconsider what our agreed priorities are and what collectively we are able to fund and support, for example in terms of neighbourhood priorities such as criminal damage and protecting vulnerable groups, such as victims of hate crime.

As tough choices are made about the future of services we must work even more closely with public services, businesses and communities, involving them in service design and encouraging joint responsibility for community safety and resilience, and the general quality of, and care for, local environments.



Environmental sustainability

What do we want to achieve?

Sustainable infrastructure that protects and promotes nature, communities and the city's economy.

This means:

1. Promoting and delivering a broader understanding of sustainability for the city and for public services, which protects the future of the environment, communities and the economy.
2. Use our international [UN Biosphere Reserve](#) status and the [South Downs National Park](#) to promote the city region as a unique destination for its natural environments.
3. Protecting water and energy security for the city, including measures to improve the energy efficiency of housing stock and its impact on the environment.
4. Improving the sustainability of our transport infrastructure and transport options, reducing the need for travel through improved digital infrastructure.
5. Regenerating our seafront, bringing forward investment to deliver key development sites and protect and renew city infrastructure.

How are we doing?

A summary of evidence for this priority tells us:

We have responded well to the impact of extreme weather events in our communities in partnership with other agencies, demonstrating civic leadership.

Our climate is set to continue to change and we need to prepare for further severe weather events, as well as taking steps to reduce climate change and its effects.

The city is a regional transport hub with good road and rail links. But there is growing pressure on transport, parking and city infrastructure with the growing population and number of visitors and commuters.

Air quality monitoring suggests there has been a long term improvement in air quality across the city, but it has not improved in the same way in the high density and traffic-heavy city centre.

The city benefits from various world-class environments, formally endorsed by UN recognition of the Brighton & Lewes Downs Biosphere.

The volume of waste generated per household is high and recycling rates low compared to the average, in part because we do not offer free food and green waste collections.



Environmental sustainability (continued)

How do we plan to invest?

We will:

- Continue the implementation of our one planet city sustainability action plan for the council and the city.
- Create a combined infrastructure plan with key partners for energy, water, waste, transport, highways and street lighting to support sustainable growth, community resilience and protect the environment.
- Continue to secure high quality, sustainable development and building standards through planning policy and the City Plan.
- Promote and preserve our Brighton & Lewes Downs Biosphere, using it as a focus to celebrate and protect the quality of biodiversity in the city region.
- Work in partnership with the South Downs National Park authority to promote and enhance the park and ensure that citizens and the local economy benefit from it.
- Draw in external investment for our downland estate and city parks and open spaces, including developing Stanmer Park as a major gateway from the city into the South Downs.
- Develop opportunities with partners to improve the quality and energy efficiency of the city's housing stock.
- Improve the efficiency and reliability with which we collect and dispose of recycling, household, food, green and commercial waste.
- Continue to increase energy efficiency measures for the council, including carbon reduction across services and renewable energy schemes for our own land and property.
- Increase the choice and safety of sustainable, low emission transport options through the Local Transport Plan and EU funding, including major plans to renew Valley Gardens.
- Bring forward private investment to deliver key development sites that will renew and enhance our seafront, such as the i360.

Tough choices ahead

Our city's origins and historic success are founded on its environment, the sea and South Downs. We must embrace our natural spaces as the opportunity, rather than the limitation, for sustainable economic growth across the city region. We need to create a better understanding of the relationship and opportunities presented by our growing population, the way we do business, consume goods, create waste, grow food and our exceptional natural surroundings.

We must collaborate and invest with our environmental infrastructure partners to recognise and support the value of our natural resources as the city grows. As it becomes harder to sustain spending for services that are important to maintain the quality of the local environment we must work increasingly with partners, communities and businesses to find alternative ways to share environmental responsibilities.



Foundations for the way ahead

Our recent achievements demonstrate how we are already collaborating to meet our purpose.



Brighton Pride

Awarded a five year agreement to Pride CIC to run Brighton Pride ensuring its future safety and sustainability



Adult Social Care

Modernising services with partners focused on personalised care and prevention to improve people's wellbeing and meet new duties



Health & Wellbeing Board

A new, shared approach for commissioning joined up health services between the council and partners



Kings Road arches

Renewed seafront road infrastructure and created an attractive new creative retail quarter



Children's social care

Responding to safeguarding issues earlier and more effectively with partners, to improve wellbeing for children and families



Tourist Information

City Champion volunteers and multiple tourist information points are welcoming visitors to the city



Working in partnership

Partnerships are increasingly important to how we deliver services and will achieve better, shared outcomes for the city. Combining the knowledge, expertise and resources of all sectors allows greater improvements to meet our purpose and the city's vision. The council is a committed member of the city's partnership arrangements and wider public service networks.

City partnerships

[Brighton & Hove Connected](#) is the main city partnership and provides a single vision and direction from which the wider [thematic partnerships](#) operate. It brings together the different parts of the public sector, as well as the private, business, community and voluntary sectors so that initiatives and services support each other.

The [City Management Board](#) increases the combined impact of public services within Brighton & Hove. The board is made up of the key decision makers from each of the major public services, the council, police, NHS, probation service, and the two universities. Each board member is accountable to their parent body and to Brighton & Hove Connected.

A partnership of the council and the Brighton & Hove Clinical Commissioning Group, the [Health and Wellbeing Board](#) is committed to improve the health and wellbeing of the population of Brighton & Hove through the commissioning and development of improved and combined health and social care services.

For full information about the city's partnerships visit www.bhconnected.org.uk/

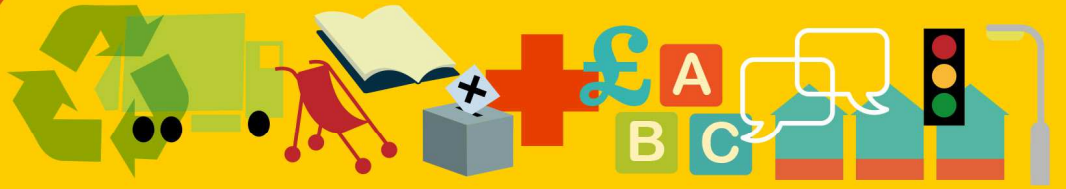
Regional & national networks

We work with other councils and places to make sure that we are finding the most connected and innovative ways to transform public services, promoting economic and social wellbeing for our local areas.

Examples of this include:

- The [Greater Brighton Economic Board](#); a public and private body to unlock city investment with representation from the different councils that make up the Greater Brighton city region.
- [Coast to Capital](#) local enterprise partnership; allocates government funding for key regeneration and skills investment in the local area.
- South East 7; a partnership of seven major local authorities from the South East of England, creating more effective and better value shared service arrangements.
- [Key Cities](#); a national platform with leaders of other increasingly important UK cities, to position themselves in Government's vision of the nation's economic and social prosperity.
- [Brighton & Lewes Downs Biosphere](#) consists of a range of voluntary, conservation, education, local government and private sector bodies, who together aim to create a world-class environment that is economically successful and enjoyed by all forever.





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Brighton & Hove City Council

Medium Term Financial Strategy

2015/16 to 2019/20



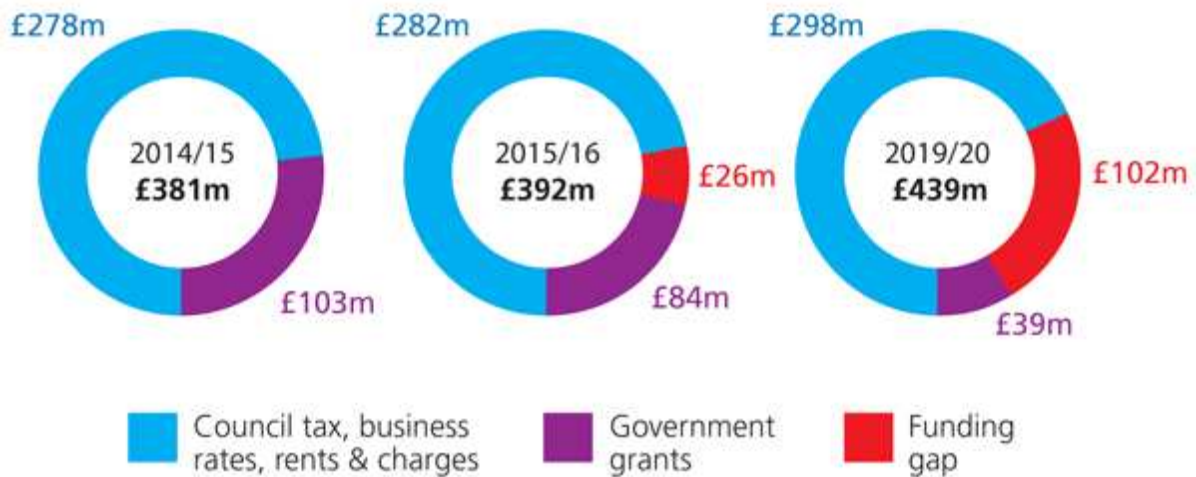
Medium Term Financial Strategy

The Medium Term Financial Strategy (MTFS) covers a 5-year period and sets out key planning assumptions and resources projections over the period together with information about key areas for capital and revenue investment and our financing and treasury management strategies.

The council's total gross budget was £778 million in 2014/15 of which just over half (51%) is ring-fenced and may only be spent on education, housing benefit and council housing. These 3 areas are funded by Dedicated Schools Grant, Housing Benefit Grant and council housing rents and service charges respectively. Funding is ring-fenced in all cases and the planning for these areas is therefore undertaken separately.

The remaining budget is referred to as the General Fund. Our challenge in 2015/16 and beyond is therefore to reduce spending from the remaining 49% (£392 million in 2015/16), which is funded by council tax, business rates, government grants and fees and charges. This is spent on services like social care for vulnerable children and adults, libraries, parks and transport.

We expect that rising costs (inflation) and demand for services alongside reduced central government funding will result in a budget gap of £102.4 million by 2019/20, **starting with the assumption of no increases in council tax**. In 2015/16 alone we will see a reduction of £18 million of government grant funding, which together with increased costs and demands, leaves a gap of £26.3 million. We have already saved £77.5 million between 2011/12 and 2014/15 and therefore finding further efficiencies and savings will become progressively more challenging.



The short term

Growth in the short term will make a small contribution. We expect council tax paying dwellings to increase by about 250 properties a year. Business rates will also grow, but much of this will be from small businesses who pay lower business rates. Fees and charges are expected to increase too. A change in central government in 2015 would be unlikely to change the scale of the funding reductions. Therefore savings have to be met by significantly reducing current spending on services.



The medium to longer term

In the longer term our approach will be to transform how we as a council operate to improve outcomes and reduce our overall costs, leading partners in efforts to get people into employment as a route to improved health, family stability and reduced need for social care. We will also need to become financially more self-sufficient through growth, community involvement and increased social action.

The tables below show the forecasts for net expenditure and future funding streams based on the latest information available. The Chancellor has previously announced that funding for local government will be reduced by the same amount in the next Spending Review as in the current one i.e. approximately 10% per annum on average and this reduction has been built into the forecasts for 2016/17 to 2019/20.

MTFS Assumptions & Projections

Two tables are shown below. The first sets out the core planning assumptions while the second sets out the resulting spending, income, savings and budget gap projections.

Core Planning Assumptions

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

MEDIUM TERM FINANCIAL STRATEGY 2015/16 TO 2019/20 <i>(Tables may not add due to rounding)</i>					
Summary of MTFS assumptions	2015/16	2016/17	2017/18	2018/19	2019/20
Pay inflation and pay related matters:					
- Provision for pay award	2.2%	1.0%	1.0%	1.0%	1.0%
- Provision for pension contributions	0.5%	0.5%	0.5%	0.5%	0.5%
- Provision for changes in national insurance	0.0%	(*)	0.0%	0.0%	0.0%
General inflation:					
- Inflation on income	2.0%	2.0%	2.0%	2.0%	2.0%
- Inflation on parking income	0.0%	2.0%	2.0%	2.0%	2.0%
- Inflation on penalty charge notices	0.0%	0.0%	0.0%	0.0%	0.0%
Resources:					
Change in Settlement Funding Assessment	-14.1%	-11.9%	-10.5%	-10.6%	-11.7%
Change to Revenue Support Grant (RSG)	-27.3%	-29.1%	-33.0%	-45.4%	-82.3%
Business Rates					
- Business rates poundage inflation uplift	2.3%	2.8%	2.8%	2.8%	2.8%
Change to other specific grants	-27.2%	-15.0%	-10.0%	-10.0%	-10.0%
Public Health grant	0.0%	0.0%	0.0%	0.0%	0.0%
Assumed council tax threshold increase	2.0%	2.0%	2.0%	2.0%	2.0%
Council Tax Base	2.8%	0.25%	0.25%	0.25%	0.25%

* National insurance changes planned for 2016/17 are expected to add over £2m to the expenditure estimates but the Government has said that national expenditure control totals for local government will be adjusted and the council therefore should receive additional grant to offset the cost.



Summary of MTFS projections

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

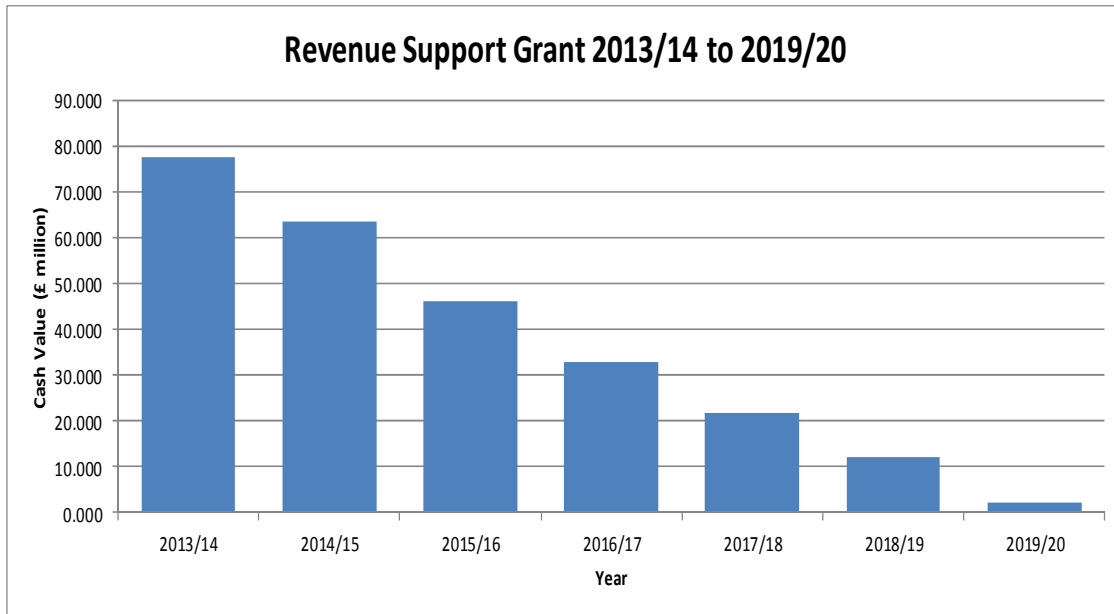
Summary of General Fund Budget Projections	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	225.337	215.888	205.730	197.576	192.372
Pay and Inflation	3.787	4.200	3.883	3.712	3.549
General Risk Provisions	1.622	0.500	0.500	0.500	0.500
Commitments - impact of previous decisions	1.847	-1.036	-0.088	0.336	0.000
Change in S31 Business Rates compensation grants	-0.986	3.385	-0.017	-0.016	-0.018
Change in New Homes Bonus	-1.166	-0.600	0.000	-0.200	0.350
Service pressures - demographic and inflation	5.000	5.000	5.000	5.000	5.000
Service pressures - specific grants	1.386	1.150	0.600	0.500	0.500
Full year effect of savings in previous year	-1.149	-3.763	0.000	0.000	0.000
Savings / Budget gap	-18.821	-19.675	-18.032	-15.036	-14.745
Sub-Total	216.857	205.049	197.576	192.372	187.508
Change in contribution to / from reserves	-0.969	0.681	0.000	0.000	0.000
Budget Requirement C/Fwd	215.888	205.730	197.576	192.372	187.508
Funded by:					
Revenue Support Grant	46.097	32.694	21.896	11.951	2.118
Top Up Grant	1.642	1.694	1.741	1.789	1.838
Locally retained Business Rates	52.380	56.841	56.867	58.930	61.151
Business Rates Collection Fund surplus to repay safety net	1.996	0.000	0.000	0.000	0.000
Business Rates Collection Fund surplus	1.590	0.000	0.000	0.000	0.000
Council Tax Collection Fund surplus	0.196	0.000	0.000	0.000	0.000
Council Tax from tax base savings	2.268	0.000	0.000	0.000	0.000
Council Tax	109.719	114.501	117.072	119.702	122.401
Total Funding	215.888	205.730	197.576	192.372	187.508

Revenue Support Grant Projections

The chart below demonstrates the impact of reductions in central government funding (Revenue Support Grant). It shows how the cash value of Revenue Support Grant from the government falls from 2013/14 to 2019/20 when it will all but disappear.

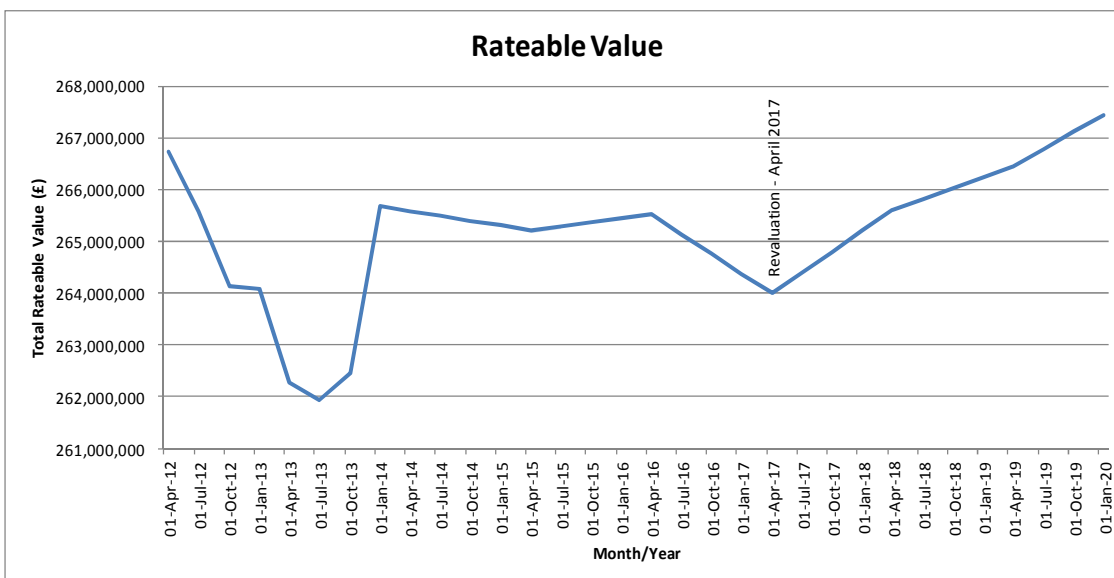
It is not expected that any change in government after the next General Election would have a significant impact on the national spending on local government. However it is possible that there could be distributional changes that would affect resources at an individual authority level.





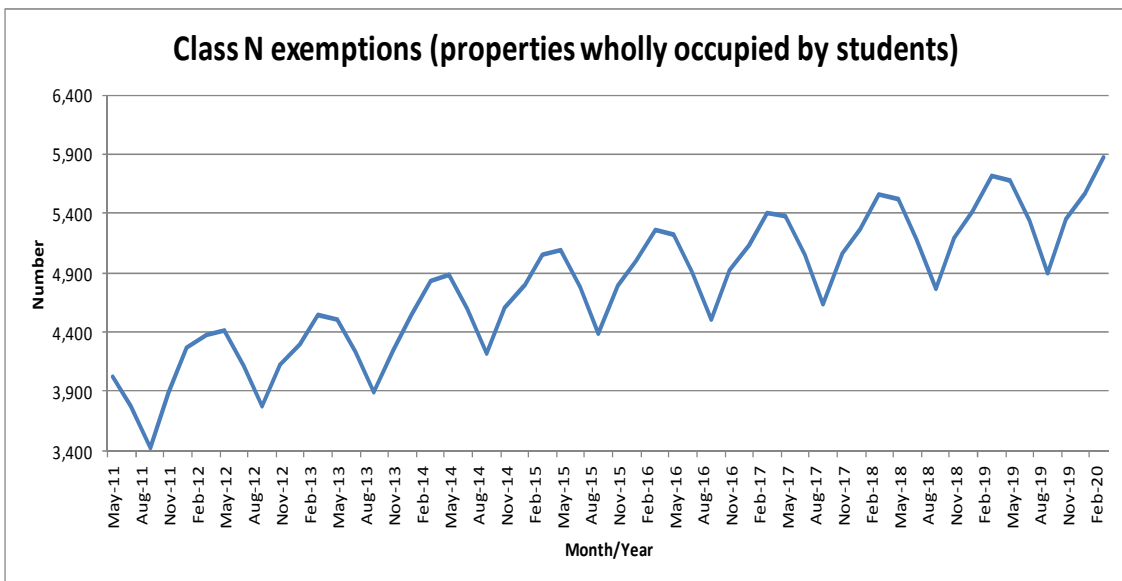
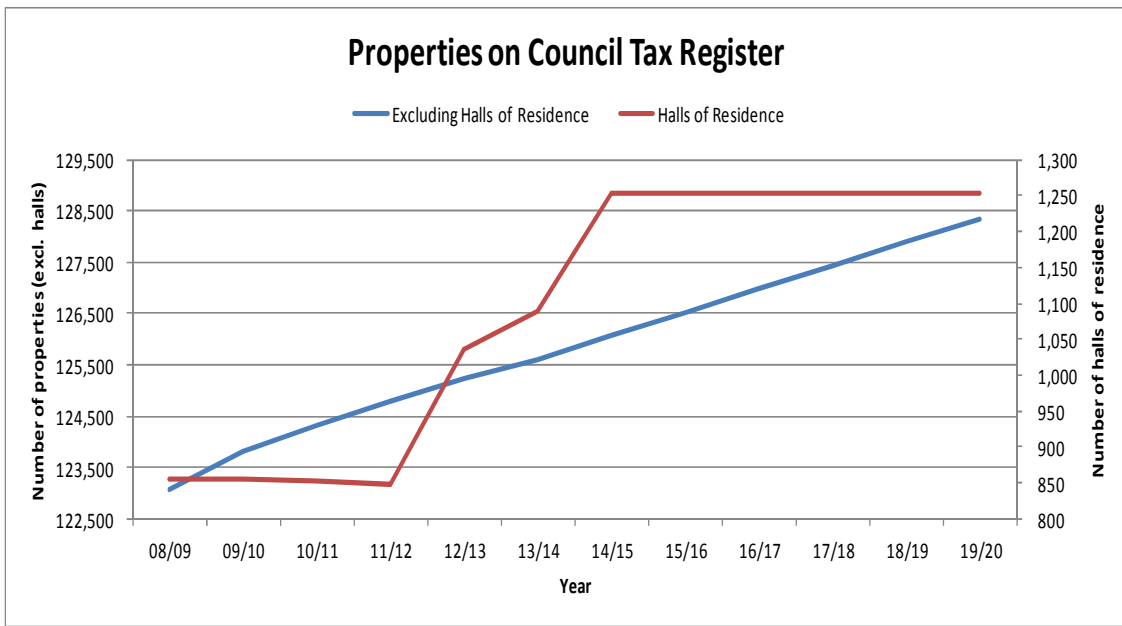
Business Rate Retention Projections

The chart below shows the projected change in the rateable value (RV) of properties liable to pay business rates in the city including the impact of the expected revaluation in 2017 which leads to national resource equalisation rather than local gain. The RV is set by the Valuation Office. The council retains 49% of any increase in the rateable value (excluding changes from revaluation) but has no control over the 'multiplier' applied to each RV (which determines the amount to be paid) which is set nationally by central government. The RV fluctuates as a result of properties coming on and off the system and crucially as a result of the impact of successful appeals by businesses against their RV. The appeals are determined by the Valuation Office and were the major cause of the dip in RV in 2013.



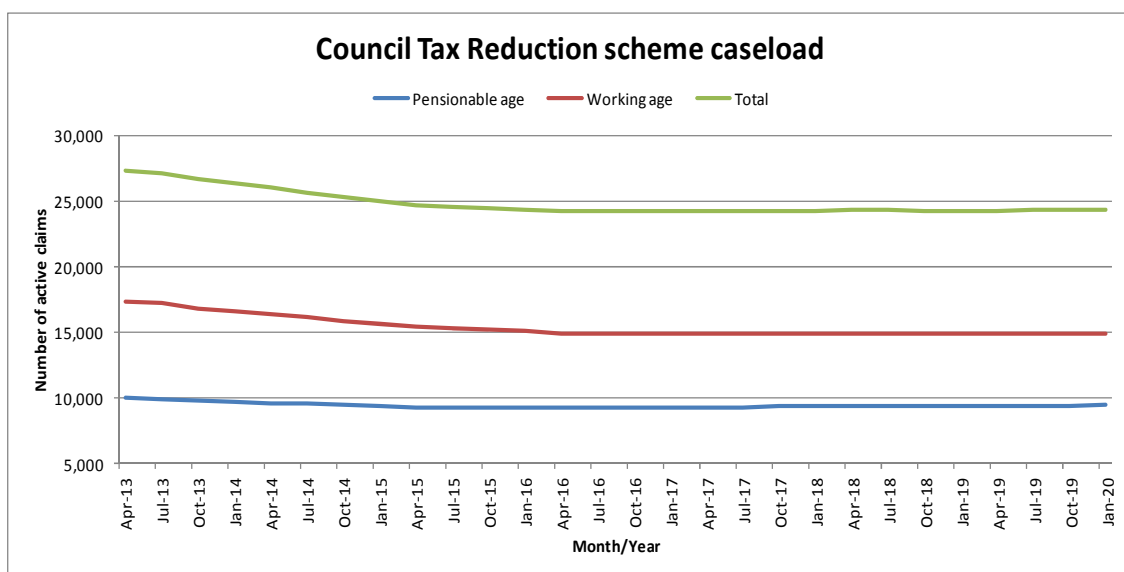
Council Taxbase Projections

The charts below provide projections of the council taxbase taking into account student accommodation and growth in the number of properties. The first chart shows the numbers of properties on the council tax register. Properties occupied by students are exempt from council tax and so this particularly highlights the changes in the taxbase excluding halls of residence and then the second chart shows the profile of student exemptions in properties other than halls of residence. While there is underlying growth in the council taxbase it is almost entirely offset by the growth in student exemptions – from 2015/16 the financial model assumes a net 0.25% growth.



Council Tax Reduction Scheme

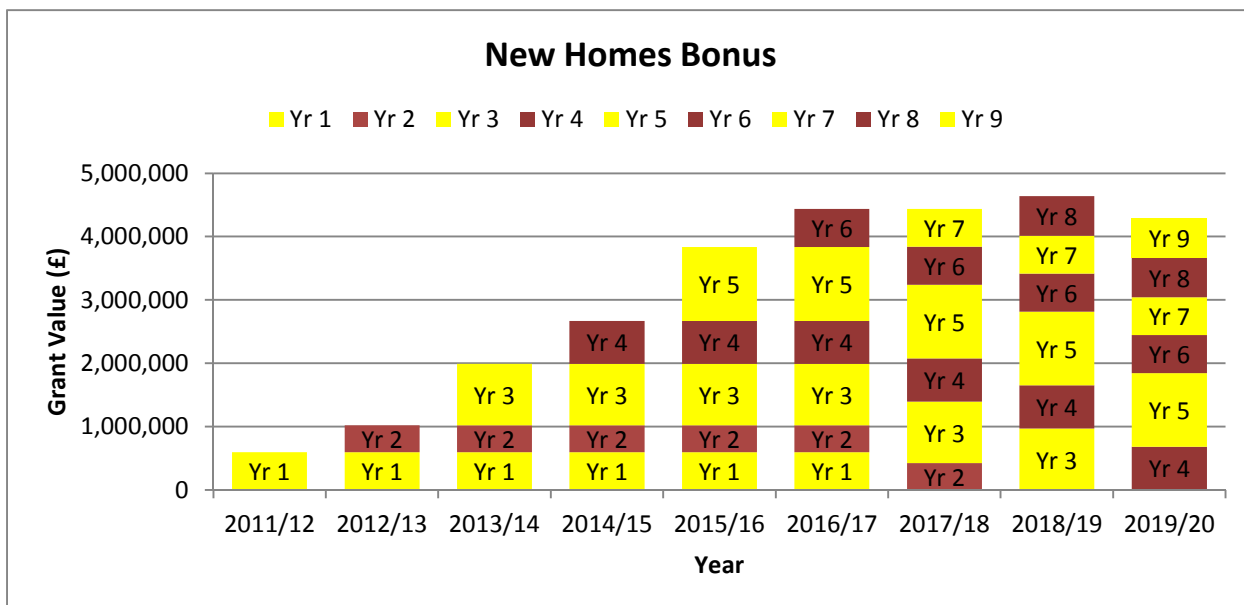
The Council Tax Reduction Scheme (CTRS) provides a discount on the amount of council tax payable by those on a low income, currently set at 91.5%. Introduced in 2013/14, it is entirely funded from the council's General Fund resources. In 2013/14 the caseload fell both across pensionable and working age clients and this trend is continuing in 2014/15. It is currently projected to remain stable in future years – any caseload changes are entirely the council's risk. While the numbers of people of working age in employment can potentially be influenced by the council through its approach to economic development, the pensionable caseload is entirely related to demographics. As the Revenue Support Grant falls, the funding of a high level of discount will become increasingly difficult and the current level of discount could only be sustained by reducing costs or spending on services elsewhere.



New Homes Bonus (NHB)

The New Homes Bonus provides an incentive for increasing the council taxbase; it is payable for a maximum of 6 years and has been funded in general by nationally top-slicing local government funding. As a result of the pressures on the General Fund budget, the council has used the NHB to contribute to its budget gap; this means it needs to be mindful of whether additional funding is sufficient to compensate for the ending of NHB resources gained in earlier years.





Revenue Resources

The direction of travel for local government finance is for local authorities to aim to be self sustaining amid an overall national context of reductions in public sector spending. This means we need to plan for a resilient and buoyant taxbase in order to protect vital public services in the city.

For the council taxbase this means:

- enabling new development of housing through our planning policy and City Plan;
- progressing estate regeneration schemes using Housing Revenue Account resources to leverage new investment;
- working with the Universities to ensure that, as far as possible, growing student housing needs are met by new student accommodation rather than by existing housing which attracts student exemptions for council tax;
- ensuring that we have a fair Council Tax Reduction Scheme that includes support when people run into acute financial difficulty;
- planning to maximise resources from council tax within the parameters set by central government either directly or through 'freeze grants'.

We therefore aim to:

- increase the number of new properties paying council tax and generate additional short term income through the New Homes Bonus;
- mitigate as far as possible the ongoing rise in properties not paying council tax as a result of student exemptions;
- minimise the number of homes that are empty through effective policies and the number of fraudulent awards of discounts, especially single person discounts;



- maintain a top quartile collection rate in comparison with similar authorities and maximise collection of any outstanding debts.

For business rates retention this means:

- attracting inward investment into the city as detailed later;
- maximising the deployment of our successful City Deal funding bids to ensure a thriving city region;
- enabling the mixed use development of key sites in the city, using our land and, where the business case supports it, prudential borrowing or other financing arrangements to generate new employment space.

We therefore aim to:

- protect and grow the council's share of the business rates taxbase;
- minimise the number of businesses who are not paying the expected level of business rates;
- maintain a top quartile collection rate in comparison with similar authorities.

Government Grant Funding and Council Tax

The council will continue to receive funding from government (£46.1m of Revenue Support Grant in 2015/16) for some years although this will become less important within the context of the council's overall finances into the future as we move towards a self-sustaining system. We will therefore continue to lobby government to take into account a number of issues that are key to the financial resilience of the council including:

- maintaining local democratic choice in determining council tax rises;
- ensuring the high and growing number of student exemptions on the council taxbase are compensated for in the grant system;
- securing a fair system for funding academies and free schools that doesn't have a detrimental impact on the council's ability to support and challenge schools across all sectors;
- ensuring Housing Benefit Administration Grant fairly reflects the costs incurred by the council, particularly given delays to the rollout of Universal Credit and changing work patterns as a result of Welfare Reform;
- ensuring any changes to grant distribution methodology have a fair outcome for the city and that all new burdens on local government are fully funded, in particular, Care Act and Better Care Fund implications.

The council will seek to supplement its resource base by bidding for **revenue and capital grants** in order to:

- deliver capital investment that it cannot finance from its core funding;
- pump-prime new service development designed to achieve long term financial savings.



We are likely to need to be increasingly reliant on one off grant funding and therefore need to plan up front for ongoing maintenance of any capital investment and any exit costs from new initiatives in order to minimise the long term impact on the revenue budget.

Fees, Charges and Rents

The council also generates substantial income from fees, charges and other rents (i.e. other than council housing rents). The overall approach to **fees and charges and rents** in this Medium Term Financial Strategy is:

- to recognise fees, charges and rents are an increasingly vital part of the council's resource base and an important aspect of ensuring services provide value for money, but also recognising that they need to be set at sustainable levels;
- as part of our value for money programme, to closely scrutinise all aspects of fees, charges and rents from the setting of fees and charges through to collection performance, and from finding new sources of income to the cost of collection;
- to protect and enhance income in our leisure facilities, cultural destinations and public venues through the quality of the visitor offer while considering concessions and differential charging where appropriate;
- to ensure, where fees and charges are determined locally, they take into account any impact on demand and local conditions, and compare well with those charged by comparable services or other providers in similar settings;
- to develop new income streams from charging or trading while minimising any increase in associated costs.



Planned Investment in Services

Although the financial position will be challenging over the 5-year period, **the council's General Fund budget will still provide substantial revenue funding with gross spending on services remaining well in excess of £300m per annum throughout the MTFS period.** The focus of the Corporate Plan and the MTFS is therefore on prioritising the use of these significant resources to deliver value for money public services and achieve good outcomes for the city, increasingly in partnership with a range of other providers and across all sectors. The General Fund budget will therefore be invested in line with 'Our Principles' as set out in the Corporate Plan with the aim of:

- Increasing equality
- Improving engagement

A summary of how the council's resources will be invested to support the priorities in the Sustainable Community Strategy (Brighton & Hove Connected) and the Council's Corporate Plan, is set out in the following pages under each of the following priorities:

- Economy, jobs and homes
- Children & young people
- Health & wellbeing
- Community safety & resilience
- Environmental sustainability

Economy, Jobs & Homes

Our **City Regeneration** Unit will be at the heart of planning for the future development of the city, working in partnership with other authorities and other sectors to attract funding for developments that will promote the business, visitor and academic economies together with appropriate housing and transport infrastructure within the framework set by the council's City Plan.

Capital investment in the Local Transport Plan will be protected and the opportunities presented by self-financing in the Housing Revenue Account will be used to generate estate regeneration. Other joint investment will be secured through the Greater Brighton Economic Board and the Coast to Capital Local Enterprise Partnership. This central government supported 'City Deal' partnership will provide investment in the Greater Brighton City Region. The main priorities for the Greater Brighton Economic Board are to:

- bring forward plans for key development sites, such as Preston Barracks, Circus Street Market and New England House, linked to job growth and skills;
- regenerate the seafront to preserve the city's reputation and visitor economy, through key sites including the i360, Brighton Centre, Black Rock and King Alfred Leisure Centre;
- improve major transport routes including Valley Gardens and the completion of the Brighton Station Gateway;



- improve our transport infrastructure sustainability through Local Transport Plan and European funding;
- maintain a quality built environment through a modern planning service to enable growth and promote health and wellbeing.

The **Brighton i360** will provide a boost to our economy. It will generate more than 440 permanent jobs - 169 jobs at the attraction plus additional jobs from the spin off benefits to other businesses located in the city. The i360 is expected to attract over 700,000 visitors a year, including up to 300,000 new visitors to the city, who will all spend money in local shops, restaurants, and at other attractions. In total it is expected that the i360 will inject between £13m and £25m of additional revenue into the local economy annually.

We will continue to seek to leverage **external investment** to maintain our historic assets, including for the Royal Pavilion Estate.

The MTFS will also support sustained investment in **homelessness prevention** and working with neighbouring authorities to procure sufficient quantities of temporary accommodation. This will mean collaboration across adult social care, children's services and the health service to secure appropriate accommodation for our most vulnerable clients.

By doing this we aim to:

- support growth of our council tax and business rates taxbase as described earlier;
- sustain and enhance income streams from our seafront properties, at our venues and at other visitor attractions;
- maintain a successful visitor economy to support accessible employment opportunities for the city;
- contain the financial impact of the anticipated rise in demand for homelessness services and provide cost effective support for independent living for vulnerable clients;
- secure investment in housing stock with minimum subsidy from the council.

How do we plan to invest?

- Creating future job and business growth through joint investment, accessing new funding via the Greater Brighton Economic Board, [Coast to Capital](#) local enterprise partnership and EU funding.
- Draw in new partnership investment to develop the Royal Pavilion Estate sustaining this unique site's importance as the heart of the city's cultural offer.
- Enable development of new, affordable homes, including building new council homes working with government, registered providers and other partners to maximize investment.
- Draw in external investment for our downland estate and city parks and open spaces, including developing Stanmer Park as a major gateway from the city into the South Downs National Park.
- Enable development and regeneration of key sites and transport routes through the Greater Brighton Economic Board.



Children & Young People

We will continue to invest in **prevention and early intervention** and prioritise resources on preventing families falling into need, and helping them to get out and stay out of crisis. We will do this through:

- our Stronger Families, Stronger Communities programme which supports families in multiple deprivation through jointly commissioning interventions with partner agencies such as police and probation services;
- sustaining investment in early years services, but targeting interventions at those most in need, for example free childcare for the 20% most disadvantaged 2 year olds;
- strengthening our **Early Help Hub** services particularly supporting schools and redesigning our behaviour support services;
- improving our safeguarding approach through more effective cross-partnership working with other agencies and the development of our **MASH** (Multi-agency safeguarding hub) facilities in Whitehawk and Woodingdean.

We will continuously improve value for money through the **procurement and commissioning** of:

- Universal services, such as youth services and children's centres. This may involve difficult choices when compared with the need to protect and safeguard children and provide care services for those who need it;
- SEN and Disability Services which are currently the subject of a major review incorporating the SEN reform agenda;
- home to school transport, including working closely with transport colleagues and the adult social care client transport team to maximise value for money;
- expert assessments in care proceedings;
- high cost placements, working across East and West Sussex, particularly with South East Seven (SE7) partners on special educational needs.

We will continue to lobby government to ensure that there is sufficient "basic needs" capital funding for new pupil places. We will work with the Department for Education to secure additional capital investment to increase the diversity of school provision within a context of strong partnership working across all the city's schools.

By doing this we aim to:

- support children to stay with their families and in their local communities rather than in expensive local authority placements;
- reduce the amount the council spends on supporting the costs of institutional care pathways through improved multi-agency working;
- reduce our relatively high costs of providing children's social care;
- secure sufficient capital investment for school places.



How do we plan to invest?

- Plan and deliver sufficient school places, with a focus on secondary places.
- Improve secondary attainment, linked to skills for the workplace and the developing city economy, closing the gap in attainment for vulnerable students.
- Provide early help advice and support for public agencies on child protection issues, including schools.
- Embed and further improve our multi-agency response for safeguarding, to reduce the rate of re-referrals below the national average.
- Review support for children and young people with special educational needs and disabilities to develop improved and joined up services.
- Review children and young people with emotional wellbeing and mental health needs. Develop more personalised services for children and their families.

Health & Wellbeing

The transfer of the Public Health function from 1 April 2013 provided an opportunity for us to align spend with other council services to promote healthy choices and lifestyles to prevent long term health conditions. We aim to realign budgets to:

- better coordinate support functions such as research and analysis and communications;
- simplify our commissioning of services from the community and voluntary sector as some organisations are in receipt of multiple funding streams from the council;
- combine spend for example with transport, housing and sports and leisure initiatives to maximise its impact.

We will **maintain fair access** to Adult Social Care services at the current needs level of “Critical and Substantial” and we expect that these criteria will be in line with new nationally set criteria to be in place from 2015/16. We will fulfil our responsibilities to assure the quality of services provided in the city and **safeguard** vulnerable adults under new statutory responsibilities in the Care Act 2014.

We will support individuals to **stay in their own homes** and in their own communities wherever possible by:

- promoting personal budgets, choice and independence;
- protecting funding for carers;
- investing in Telecare, Reablement and other services that can prevent admission to more expensive forms of care or hospital;
- working closely with the community and voluntary sector to ensure flexible local provision that best meets individual needs;
- working closely with health partners and housing colleagues to ensure the **Better Care Fund** delivers whole system integration for those who are frail, including those who are homeless and have mental health difficulties.

We will continue to assess the options for alternative service delivery models to protect the council’s capacity to be an essential provider of certain services in the city.



We therefore we aim to:

- reduce our relatively high unit costs of adult social care by reducing the numbers of clients in expensive residential and nursing home care;
- develop housing solutions that can help to provide a lower cost, mixed economy of care provision;
- improve the outcomes and value for money of our Public Health function;
- adapt to the changing demographics and needs of our population in a way which is affordable;
- improve safeguarding through integrated working and improved support (e.g. Telecare);
- generate new sources of income to help protect quality services and safeguard the most vulnerable;
- support integration of services to reduce acute hospital admissions.

How do we plan to invest?

- Coordinate approaches to health and wellbeing priorities across the council and its partners, managed through the new and developing Health & Wellbeing Board.
- Improve the health of the population and reduce costs of long term health conditions by ensuring effective programmes for obesity, smoking, drugs and alcohol and sexual health.
- Personalise approaches for adult social care, to promote greater independence and meet new assessment requirements in Better Care and Care Act legislation.
- Create supported housing to promote independence and reduce the need for acute and residential care services.
- Review support for disabled adults and children, ensuring effective and value for money services.
- Use community buildings, such as our libraries, to promote health and wellbeing and co-locate facilities and services.
- Provide better advocacy, information and advice for clients and informal carers.
- Continue to promote the city's cultural, sporting, outdoor and active travel offer, with a focus on communities where health inequality is more common.
- Improve health and social care outcomes for people experiencing homelessness, as part of our Better Care programme.

Community Safety & Resilience

We will **collaborate with the community and voluntary sector**, supporting its programme to transform local infrastructure and moving away from a grants based funding model to a commissioning and contracting model.

Better use of intelligence through working with the police will ensure our public protection function is focused on the most effective interventions and we will explore opportunities to **expand traded services**.



By doing this we aim to:

- better target our limited resources for public protection and develop new income streams;
- support a robust third sector in the city that can contribute to resilient local communities and deliver a high social return on investment.

How do we plan to invest?

- Build on our mature Safe in the City community safety partnership approach between council, police, health, community and voluntary sector organisations and businesses.
- Develop our work with communities, such as Local Action Teams, community forums and volunteers.
- Deliver effective programmes with partners to address hate crime, domestic and sexual violence and anti-social behaviour, and support for those who have been affected.
- Continue to manage effective prevention through a range of different services, such as licensing and public protection, as part of our joined up health and wellbeing approach.
- Review options for further discretionary licensing of private rented homes, including Houses in Multiple Occupation where evidence shows it will address poor standards or anti-social behavior.
- Keep children and young people safe, for example through our Local Safeguarding Children Board, and provide support to reduce their chances of becoming offenders or reoffending.
- Protect vulnerable adults through the Adults Safeguarding Board, which reports to the Health & Well Being Board.
- Offer cultural and leisure activities for the city that promote community cohesion and understanding.
- Promote a safe, inclusive city, recognising disaffection among young people in particular and the potential for radicalisation and extremism, for example through the One Voice partnership.
- Use our buildings and services in community settings, such as libraries, to foster positive relationships with public services and between different communities.

Environmental Sustainability

We will work with partners to promote and deliver a broad understanding of sustainability for the council and the city with the aim of protecting the environment and also improving the health and wellbeing of our communities. We will also educate about and protect the biodiversity in the city, celebrating our unique environment through our Brighton & Lewes Downs Biosphere.

We will continue working in partnership with the South Downs National Park ensuring the city both helps protect and benefits from its proximity to the Park.

We will deliver savings and additional income through our **management of waste** by:

- redesigning our CityClean services to support our future waste management strategy;
- working with SE7 partners on a long term strategy for securing commercial income streams from recycle;
- sharing the revenue from commercial waste disposal and electricity generation at the Energy from Waste facility in Newhaven.



Through our **Workstyles** modernisation programme we will continue to reduce our accommodation requirements and improve the sustainability of remaining buildings through our Planned Maintenance Programme, addressing key energy saving initiatives including oil to gas conversions and improvements to insulation. We have also introduced Automated Meter Reading (AMR) equipment widely to address energy losses and leaks where they occur.

Other measures include:

- continuing with energy efficient renewal of Street Lighting across the city and exploring options for major capital investment for the replacement of lighting with energy efficient fittings;
- reducing the council's vehicle fleet and continuing to replace vehicles with lower CO₂ (g/km) models;
- working with the Sussex Energy Savings Partnership to reduce carbon emissions and tackle fuel poverty in the city's overall housing stock.

In terms of procurement activity, we have developed a **Sustainable Procurement Strategy** as part of our overarching Corporate Procurement Strategy. This aims to embed the principles of sustainability throughout the council's procurement activities and ensure that only value for money products and services are selected. Under this strategy we will:

- apply a 'whole life' costing approach to give a clear understanding of the full impact of purchasing decisions over the lifetime of a contract;
- develop and maintain sustainability based selection and evaluation criteria;
- use targeted contract management to ensure that sustainability targets are delivered upon through the lifetime of a contract;
- encourage suppliers to take action to reduce waste and promote reuse throughout the supply chain;
- consider the potential transport requirements associated with any contract and how these may be minimised;
- build a requirement for CO₂ reduction into the specification of contracts, where appropriate;
- consider the risk of negative water impact in specific contracts, with particular focus on waste use, waste water and discharges;
- encourage suppliers to seek sustainable alternatives to materials which are scarce or at risk of becoming so, including use of sustainable timber;
- promote the use of, and compliance with, the council's Minimum Food Standards in all relevant contracts.

How do we plan to invest?

- Continue the implementation of our one planet city sustainability action plan for the council and the city.
- Create a combined infrastructure plan with our partners for energy, water, waste and transport to support sustainable growth and protect the environment.
- Continue to secure high quality, sustainable development and building standards through planning policy and the City Plan.
- Promote and preserve our Brighton & Lewes Downs Biosphere, using it as a focus to celebrate and protect the quality of biodiversity in the city region.



- Work in partnership with the South Downs National Park authority to promote and enhance the park and ensure that citizens and the local economy benefit from it.
- Draw in external investment for our downland estate and city parks and open spaces, including developing Stanmer Park as a major gateway from city into South Downs.
- Develop opportunities with partners to improve the quality and energy efficiency of the city's housing stock.
- Improve the efficiency and reliability with which we collect and dispose of recycling, household, food, green and commercial waste.
- Continue to increase energy efficiency measures for the council, including carbon reduction across services and renewable energy schemes for our own land and property.
- Provide access to sustainable travel initiatives and low-emission forms of transport through the Local Transport Plan and EU funding, including major plans for Valley Gardens.
- Bring forward private investment to deliver key development sites that will renew and enhance our seafront, such as the i360.

Modernising the Council

Modernising the council is about ensuring that the council is in a good position to make the best use of limited public resources, ensuring that services represent good value for council tax payers and sustaining our financial future.

This means:

1. Continuing our value for money programme to reduce costs in key areas.
2. Using our assets, property and land to the best financial effect, supporting collaboration in future service delivery and enabling investment and regeneration in the city.
3. Reviewing our model of central services provision within the council to ensure it can support modernisation across the whole organisation.
4. Leading progress with partners on future funding relationships between local public services, capitalising on growth and opportunities in the wider economy.
5. Learning from benchmarking our services with other councils and providers, and from best practice elsewhere.

We will also be proactive in our response to the government's **welfare reform** agenda and continue to plan ahead for the transition to Universal Credit, working with the community and voluntary sector to:

- ensure access to financial advice and support;
- enable digital inclusion as far as possible across all customer groups;
- provide coordinated support to the most financially vulnerable, for example, through our discretionary funds.

We will continue to invest in coordinated, fair and early **debt collection and fraud prevention** to maximise and safeguard the council's revenue streams.



We will invest in the council's **ICT infrastructure** to ensure it is resilient and secure, can support efficient working practices, and enables easier access to our services on-line and through digital media where necessary.

We will drive the council's ambitious **Modernisation Programmes** including Value for Money, workforce changes, and quality services through integrated working with partners and better understanding and management of rising demands.

We will maintain **effective governance and performance management** through strong civic leadership supported by high quality legal, financial and procurement advice to safeguard the interests of the council taxpayer. We will explore working in integrated, joint or shared service arrangements with our partners where appropriate, both within and cross sector, to secure value for money and maintain sufficient expert capacity.

Treasury Management & Investment

This section of the MTFS sets out the strategy for treasury management activity. An effective approach to treasury management can make a significant contribution to the council's overall financial position and resilience. Our treasury management practices are strictly regulated by statutory requirements, operating within the CIPFA¹ Code of Practice for Treasury Management and adhering to Department for Communities and Local Government guidance.

The Code of Practice on Treasury Management recommends the policy statement should include the council's high level policies on borrowing and investments. To this end the council will invest its monies prudently, considering security first, liquidity second and yield last, carefully considering its investment counterparties. The council will similarly borrow monies prudently and where this is consistent with the council's priorities.

The council also approves an Annual Investment Strategy which is designed to proactively manage the council's debt & investment portfolios and cash flows to meet financing and investment budget and income targets respectively whilst ensuring the authority is not placed at undue financial risk.

To help us achieve this, we have developed a number of aims as follows:

- managing the security and liquidity risk of investments whilst taking opportunities to optimise returns on investments;
- effectively managing the council's cash flow requirements;
- undertaking new borrowing at or below budgeted rates;
- Seeking opportunities to reduce the cost of servicing existing debt and managing exposure to interest rate risk and volatility;
- monitoring economic and market developments and assessing the implications on the debt and/or investment portfolio.

The council will review the performance of the treasury management function against the following long-term objectives:

¹ CIPFA (Chartered Institute of Public Finance & Accountancy)



- to manage the financial exposure to risk arising from fluctuations in interest rates and potential changes in Government policy;
- to investigate options for improving performance and generating short and long term revenue savings;
- to develop meaningful performance measures for borrowing and investment which can be reviewed and reported on a regular basis.

One of the objectives for treasury management is to reduce, over the medium term, the average cost of the long-term debt portfolio. In the absence of any generally accepted market practice the benchmarking for borrowing will be assessed against this objective.

Investments are benchmarked against the 7-day LIBID (London Interbank Bid Rate) rate. This rate is used as it traditionally represents an achievable return on short-term investments without active treasury management. The target rate, i.e. the margin above the benchmark, is as follows:

- for the in-house team: 105% of the benchmark rate (i.e. if the benchmark rate is 4% then the target rate is 4% times 1.05 which is 4.2%);
- for external cash managers: 115% of the benchmark rate (the higher margin reflects the long-term nature of the cash manager mandate and the potential higher returns from the specialist markets available to the manager).

A benchmarked risk factor is also used to measure investment risk and for 2014/15 is recommended at 0.05%, the same as 2013/14. This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. All breaches are reported and reviewed to inform ongoing investment strategy.



Capital Investment Strategy

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

- seek to protect as far as possible capital grant funding for transport and the public realm investment;
- pool all remaining non ring-fenced capital resources and allocate to priority areas for investment;
- allocate approximately £0.25m per annum to 'major projects' investment through a Strategic Investment Fund. These projects support the economy through regeneration of key sites;
- allocate £0.5m per annum towards the Information and Communication Technology Fund to address the funding of central network support and improvements to the ICT infrastructure identified in the ICT Investment Strategy;
- allocate £1.0m per annum to the Asset Management Fund to support essential property improvements;
- allocate £0.5m per annum through borrowing to support investment in Social Care buildings;
- generate capital receipts from the disposal of surplus or under-performing assets and to deploy the proceeds from the sale of capital assets:
 - i) for reinvestment in the capital investment programme, or;
 - ii) for repayment of debt or for investment, for example, to offset any loss of rental income in the revenue budget, or;
 - iii) for reinvestment from under-performing assets back into more commercially viable assets as part of the rationalisation of the property portfolio.
- divide the net receipts from 'right to buy' sales of council housing between funding for corporate strategic priorities delivering regeneration, including affordable housing opportunities, and investment directly in housing. Changes to the Right to Buy Regulations mean the maximum that the council can currently retain for corporate investment will be £0.475m per annum;
- use unsupported borrowing for service improvements where a business case has been developed and approved, and can demonstrate that the investment will provide value for money and that the additional financing costs are reflected in the revenue budget;
- explore all funding options including partnerships and one-off bidding processes.

In the context of this strategy the council will need to review its deteriorating infrastructure asset base such as highways structures, street lighting and the seafront, and identify critical investment requirements over the medium term and sources of funding.

The following sections describe the main areas of capital investment over the MTFs period.



Corporate Capital Expenditure

Currently, as mentioned above, the council groups its corporate capital spend into 3 areas:

- Strategic Investment Fund (SIF) - £0.250m per annum
- Asset Management Fund (AMF) - £1.000m per annum
- ICT Fund - £2.000m for 2015/16 and £0.500m per annum thereafter.

The level of these funds is dependant on generating capital receipts from asset disposals and is therefore subject to their availability and prevailing market conditions. Projected future receipts include some major disposals such as Patcham Court Farm and Preston Barracks. Receipts associated with the council's Workstyles Programme, such as the disposal of Kings House, are ring-fenced to support that programme and help deliver future efficiency savings. Capital receipt projections are shown at table 2 below.

Government Capital Grants

The government provides the council with funding for education and transport investment. The council is entitled to treat this funding as a "single capital pot" and hence spend it in accordance with corporate priorities. However the calls for spending in these service areas are very high and there are often conditions attached to these funds by the relevant government department.

Education capital – The programme includes allocations of £36m over the next 3 years for New Pupil Places and estimates have been included for Education Capital Maintenance of £4.9m pa and £0.5m pa for Devolved Capital to schools. All of this will be required for new primary and secondary pupil places, capital maintenance for schools and devolved formula capital for schools.

Transport capital – No announcements have been made for future allocations although it is expected that these allocations will be top sliced and be diverted toward regional funding.

The **Greater Brighton City Region** is a major part of the Coast to Capital LEP and will fulfil its potential to become one of the UK's leading Super City regions by developing a network of Growth Hubs. The council has also received grant funding through the City Deal for up to £4.9m to support the New England House redevelopment. Grant funding has been secured for the Valley Gardens Phase 1 & 2 of £8.0m and £6.0m for Phase 3 of the project which is due to commence from 2016/17.

Adult Social Care grant will be received under the banner of Better Care Funding and will support capital investment such as the Disabled Facilities Grants allocations.



The council may receive other **one off capital grants** from government lottery funding or the EU for individual capital schemes but they will be ring-fenced. The project at ‘the Level’ is an example of this where the council has provided match funding to lever in additional resources.

Funding from Revenue

Some capital expenditure is funded directly from revenue such as planned maintenance to schools and other council buildings; however, there is no capacity to increase these resources in the context of the revenue budget savings requirements.

Funding from Borrowing

Some capital expenditure is funded from borrowing and the financing costs included in the revenue budget to spread the costs over many years.

While there are limits (set by full Council) about how much borrowing can be undertaken, the real test is one of affordability – if the revenue financing costs can be funded through cashable savings, the investment may be supportable. A recent example of this has been the capital investment in upgrading car parks where the projected additional parking revenues will fund the borrowing and also deliver savings.

Most notably, borrowing is being used to support the i360 investment where the council is working in partnership with a private developer to support the construction of a viewing tower on the seafront through a commercial loan arrangement together with Local Enterprise Partnership (LEP). The council has started borrowing funds through a government agency, called the Public Works Loans Board (PWLB), to lend to the developer of the i360 at a commercial interest rate. The council will receive a higher rate of interest than it pays the PWLB, thereby earning nearly £1 million per year for the city at a time of funding reductions. The total project cost is £46.2 million, including interest. The developer, Marks Barfield (the architects and developers of the London Eye), is investing £6 million and the Coast to Capital Local Enterprise Partnership (LEP) will invest £4 million. The loan will be repaid over 25 years but could potentially be repaid sooner if the attraction is more successful than projected.



Options to Generate Capital Investment

The council can use its land to facilitate private sector or partnership based investment. Recent examples include the Amex Community Stadium, Circus Street Development, Open Market and Preston Barracks developments. Strategic Investment Fund money is used to help support the delivery of these projects.

The council has 3 existing PFI schemes – Integrated waste management with East Sussex County Council, the Jubilee Library, and 3 secondary schools. The potential for obtaining future PFI credits for projects that would fit with the council's priorities will be considered where available, however, these schemes need careful consideration of value for money due to their, usually, long term lifecycle.

The council also bids for capital investment through funding streams such as the Heritage Lottery Fund (HLF) and may include potential investment for schemes at the Royal Pavilion and the Stanmer Park regeneration project. The Royal Pavilion project has already secured £0.2m from the Arts Council to progress the project. The council is also supporting the Saltdean Lido CIC (Community Interest Company) in its bid for HLF funding.

Housing Revenue Account

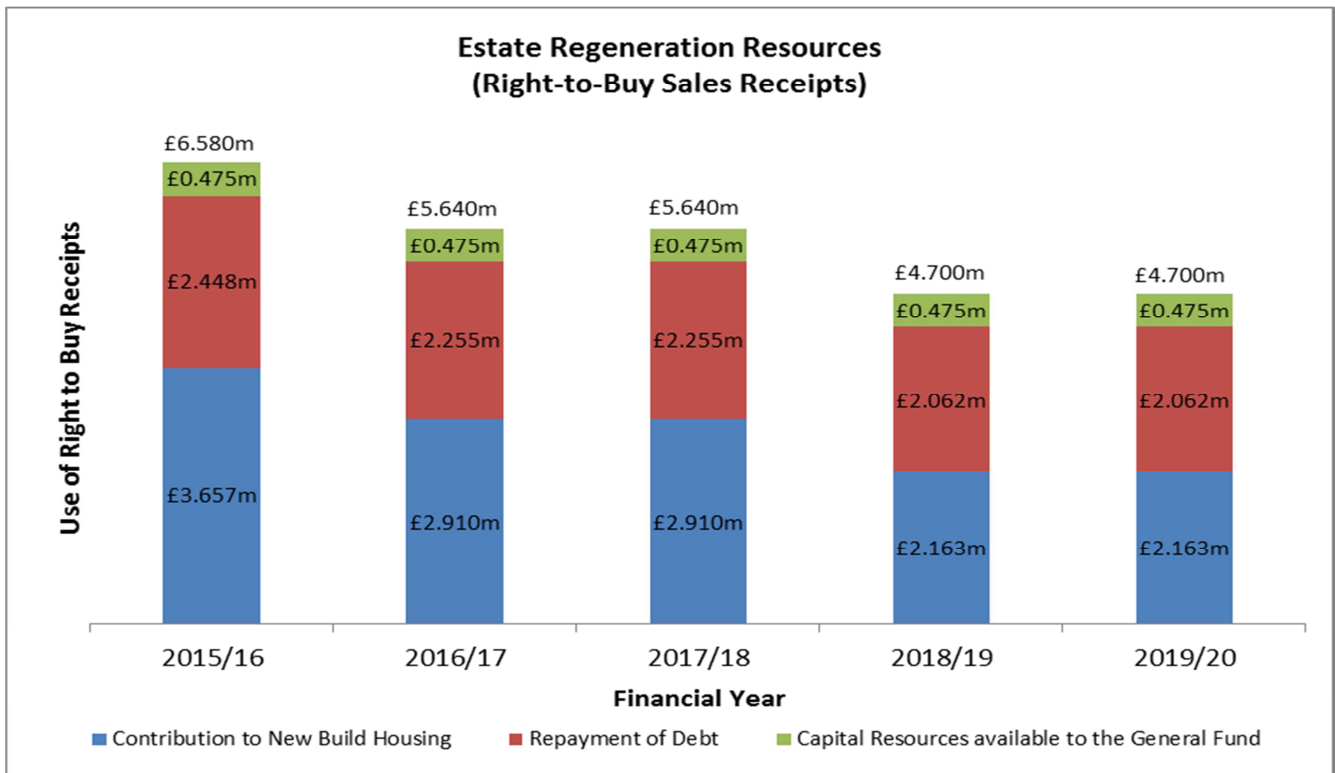
The Housing Revenue Account (HRA) capital strategy focuses on meeting Corporate Plan priorities through building new homes and improving the quality and sustainability of the existing housing stock. The HRA capital strategy aims to ensure that every pound invested reaches beyond the housing service and contributes to regeneration, tackling inequality, creating training and employment opportunities and improving sustainability.

The HRA now operates on 'self-financing' principles and the capital programme may therefore be funded from a variety of HRA sources including revenue surpluses (rental income), borrowing, capital receipts (including surplus Right-to-Buy receipts towards new build schemes), reserves and other grants. These resources are part of the HRA ring-fenced account to be spent on council owned stock.

The City Plan sets a local housing target for the City to 2030 of 11,300 new homes; this includes 500 homes from HRA/Estates Regeneration Programme. The HRA new homes/estates regeneration programme is split into 3 phases, with delivery of phases 1 & 2 by 2017 and the wider regeneration phase 3 by 2020.

Under current central government policy Right to Buy receipts from the sale of council houses may be used to contribute up to 30% of the cost of new build and estate regeneration schemes with remaining financing coming from 'self-financing' resources referred to above. The total projected Right-to-Buy (RTB) sales are shown below split between their projected contribution to new housing, an amount set aside for the required repayment of debt, and resources allowable for use in the General Fund Capital Investment Programme. Under current rules, time limits are applicable to the use of receipts for new housing schemes.





10 Year Capital Strategy Model

The strategy is presented in the form of a 10-year projection (Table 1) including known capital investment requirements for which there may not be funding secured or identified as yet, such as the requirement for up to £100m for seafront infrastructure investment over the next 15 years.

We will prepare future capital strategies in a new format that will focus on outcomes that meet the priorities of the council and that may also have a positive effect on the revenue budget. Outcomes include identifying new housing units, new pupil places, employment generation, generating new business rate and council tax income streams, reduced carbon emissions and reductions in road traffic incidents amongst others.

Capital Investment Outcomes

Capital investment will only be undertaken where it can be shown to support Corporate Plan priorities and associated service objectives. Under the developing 10 year Capital Strategy Model there will be an increasing focus on identifying and measuring expected outcomes from capital investments. This ensures that all aspects of capital investment can be reviewed so that continuous improvement in investment decisions can be made over the MTFs and capital strategy periods.



Table 1 – 10 Year Capital Projections Summary

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Capital Investment Programme – 10 Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Approved Schemes</u>										
Adults Services	426	375	375	-	-	-	-	-	-	-
Children's Services	7,263	-	-	-	-	-	-	-	-	-
Env, Development & Housing - General Fund	9,973	5,976	3,391	1,350	1,845	1,547	741	770	801	833
Env. Development & Housing - HRA	6,277	-	-	-	-	-	-	-	-	-
Assistant Chief Executive	18,082	6,222	-	-	-	-	-	-	-	-
Finance Resources & Law	11,681	15,256	12,250	-	-	-	-	-	-	-
<u>New Schemes</u>										
Adults Services	309	1,220	1,220	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Children's Services	14,850	18,950	21,309	18,700	13,700	3,700	3,700	3,700	3,700	3,700
Env Development & Housing - General Fund	10,048	21,622	27,163	21,119	15,169	15,169	10,000	10,000	10,000	10,000
Env. Development & Housing - HRA	41,034	36,225	27,000	25,600	25,600	24,900	24,600	24,100	24,100	23,600
Assistant Chief Executive	0	39,057	87,500	74,000	6,000	-	-	-	-	-
Finance Resources & law	4,250	2,550	3,250	3,250	3,250	3,250	3,250	3,250	3,250	3,250
Total	124,193	147,453	183,458	145,519	67,064	50,066	43,791	43,320	43,351	42,883
<u>Funded by Capital Resources:</u>										
Government Grants (non ring-fenced)	25,322	24,608	23,340	8,969	8,969	8,969	8,800	8,800	8,800	8,800
Government Grants (ring-fenced)	5,638	26,749	7,122	5,600	3,900	600	600	600	600	600
Capital Receipts	11,517	21,015	47,840	34,990	3,850	3,350	2,850	2,750	2,750	2,750
Capital Reserves	6,067	7,118	500	500	500	500	-	-	-	-
External Contributions	4,591	20,478	16,043	6,458	3,085	712	741	770	801	833
Direct Revenue Funding	1,432	1,400	1,500	1,520	1,400	1,400	1,400	1,400	1,400	1,400
Revenue contribution capital (HRA self-financing)	22,837	24,000	24,500	25,000	26,000	26,400	26,400	27,000	27,000	27,000
Council Borrowing	38,975	24,149	53,508	40,192	7,160	6,835	1,000	1,000	1,000	1,000
Temporary funding (Workstyles & LTP)	7,814	-7,814	-	-	-	-	-	-	-	-
Total Capital Resources	124,193	141,703	174,353	123,229	54,864	48,766	41,791	42,320	42,351	42,383
Funding deficit general fund	-	5,750	9,105	25,190	15,300	5,500	6,000	6,000	6,000	6,000
Funding (surplus) HRA	-	-	-	(2,900)	(3,100)	(4,200)	(4,000)	(5,000)	(5,000)	(5,500)



Table 2 Capital Receipts Projections

Capital Receipts Projections – 10 Year	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000
<i>Right to Buy Receipts (from HRA):</i>										
Sale of Council houses (RTB's)	6,580	5,640	5,640	4,700	4,700	4,700	4,700	4,700	4,700	4,700
Contribution to new build (time limited & ringfenced)	(3,657)	(2,910)	(2,910)	(2,163)	(2,163)	(2,163)	(2,163)	(2,163)	(2,163)	(2,163)
Payment to Govt. & Allowable Debt	(2,448)	(2,255)	(2,255)	(2,062)	(2,062)	(2,062)	(2,062)	(2,062)	(2,062)	(2,062)
Net after expenses & New Build contribution	475	475	475	475	475	475	475	475	475	475
<i>General Fund:</i>										
Overage/covenants/licences/loan repayments	370	370	370	250	250	250	250	250	250	250
Patcham Court Farm	300	2,700								
Falmer released land & hotel land	tbc	Tbc	tbc							
Preston Barracks		5,150								
Kings House	960	8,640								
Other Workstyles Buildings	1,515									
Stanmer Park properties	3,720	1,000	1,000							
Less set aside for loss of rent, fees & liabilities	(686)	(1,896)	(250)	0	0	0	0	0	0	0
Net General Receipts	6,654	16,439	1,595	725	725	725	725	725	725	725
Use of Capital Receipts	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
General Fund Receipts balance b/fwd	5,113	0	8,270	6,065	3,040	2,015	990	(35)	(1,060)	(2,085)
Capital Receipts	6,654	16,439	1,595	725	725	725	725	725	725	725
Planned programmes - SIF	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)
Planned programmes - AMF	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Planned programmes - ICT	(2,000)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)
Planned contributions to Brighton Centre redevelopment reserve	0	(2,750)								
King Alfred Reserve	0	(689)								
Ringfenced for Workstyles	(8,517)	(1,550)								
Ringfenced regeneration projects (net Preston Barracks receipt and Stanmer)		(1,430)	(2,050)	(2,000)						
Net balance (assuming receipts delivered)	0	8,270	6,065	3,040	2,015	990	(35)	(1,060)	(2,085)	(3,110)

Other capital receipts that may potentially be received in the future include Kensington Street sites, the Cliff at Roedean, Imperial Arcade & Industrial House, Conway Street, Montague Place and Hangleton Bottom. The above receipts exclude those associated with Brighton & Hove Seaside Community Homes, education related land and buildings and receipts associated with funding the Brighton waterfront project which are ring-fenced specifically for that project.

Business Rate Revaluation

A national revaluation of business rates is due to be implemented from 1 April 2017. Whilst any increases or decreases in business rates as a result of the revaluation will be adjusted for in the business rates retention system, it is unclear how appeals will be treated so new provisions for potential successful appeals on the 2017 list have been made in the forecast. Further analysis needs to be undertaken regarding the major redevelopment of the Royal Sussex County Hospital (known as 3T's) where there will be temporary reductions in business rates income as the phased works are carried out but an overall increase once all the work is completed.

Sensitivity of the Projections

A sensitivity analysis has also been carried out for some other possible scenarios. The results are as follows:

- If the number of new homes in the city rises by 540 per annum (i.e. the average shown in the City Plan) then approximately £0.7m New Homes Bonus and £0.5m additional council tax income would be generated each year. However, for example, in 2017/18 the first tranche of New Homes Bonus money allocated in 2011/12 ends so the net benefit in that year is only £0.1m.
- If the number of homes exempt because they are occupied solely by students rises at 7.5% per annum, then council tax income will fall by about £0.4m per annum.
- For each 0.5% increase in the rateable value for business rates generates about £0.25m per annum.
- If 10% of the local authority maintained schools transfer to become either academies or free schools then the loss of business rates income would be about £0.1m per annum and the loss of Education Services Grant would be about £0.3m per annum. However, the loss of Education Services Grant could be at least partly offset if the council was successful in selling these services to the new academies and free schools.





Produced by the Finance Team,
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Brighton & Hove
City Council

Subject:	Asset Management Fund 2015/16		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 291450
	Email:	angela.dymott@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report seeks approval for the £0.275 million remaining balance of the 2015/16 Asset Management Fund allocation and should be read in conjunction with the Policy & Resources Committee report of 13th September 2013. This Committee previously agreed an allocation of £0.725 million from the Asset Management Fund 2015/16 for Workstyles Phase 3 supporting the council's modernisation agenda.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee approve the recommended remaining allocations of Asset Management Fund bids totalling £0.275 million as detailed in paragraph 3.4 of this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Asset Management Fund (AMF) 2015/16 is a capital fund to support property improvements, property related Health & Safety requirements and access improvements under the Equality Act 2010. It forms part of the Capital Strategy 2015/16 along with the Strategic Investment Fund (SIF) of £0.25 million and the ICT Strategy Fund of £2.0 million. The AMF 2015/16 consists of a budget of £1.0 million funded from capital receipts.
- 3.2 The AMF is managed and administered by Property & Design and relates to property related works or improvements to council properties that address three key areas:
- 1) General property improvements (not covered by other funding streams.)
 - 2) Property related provisions under the Equality Act 2010
 - 3) Property related Health & Safety legislation
- 3.3 Bids are normally sought annually from client departments/delivery/support units, and are then evaluated and recommendations made for the implementation of the successful bids. However, £0.725 million of the 2015/16 AMF allocation was approved by a Special Policy & Resources Committee of the 13th September

2013, to part fund the Workstyles Phase 3 project, which included refurbishment works now completed at Portslade Town Hall, Hove Town Hall and Montague House

3.4 The proposed overall 2015/16 AMF allocation is as follows:

Description	Cost £m
Previously agreed by Policy & Resource Committee 2013 Workstyles Phase 3 works to , Hove Town Hall, Portslade Town Hall and Montague House (Portslade Town Hall and Montague House were completed in 2014/15)	0.725
Sub total	0.725
Balance of allocation for 15/16	
1. Major Property Improvements	
Contribution towards the cost of a Building Management System (BMS) to aid energy efficiencies in Hove Town Hall	0.060
2. Equality Act Improvements	
Rolling programme of access improvements to corporate buildings	0.090
3. Property Related Health & Safety Legislation	
Asbestos Management	0.025
Legionella Management	0.050
Fire Risk Assessment Works	0.050
Sub total	0.275
TOTAL OVERALL	1.000

3.5 Details of the individual recommendations are listed in Appendix 2

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Failure to improve the council's core office accommodation, address property related access obligations under the Equality Act 2010 and property related Health & Safety legislation would increase council risks and liabilities, inhibit service delivery, may lead to a negative perception of the council, reduce the value of our assets and prevent fulfilling the council's priorities, aims and objectives as stated in the Corporate Property Strategy and Asset Management Plan.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 The Workstyles project involves extensive internal consultations on customer and service delivery requirements, flexible working supported by appropriate technology, and service re-design.

6. CONCLUSION

6.1 This report seeks to approve the remaining balance of the AMF financial allocation and the recommended bids as detailed at paragraph 3.4 and Appendix

1 for property improvements, access requirements under the Equality Act 2010 and property related Health & Safety requirements for 2015-2016

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

The Capital Resources and Capital Investment Programme 2015/16 presented to Budget Council on 26 February 2015 included the allocation for the Asset Management Fund (AMF). If the allocations are approved they will be incorporated into the Capital Investment Programme 2015/16.

The AMF will support the Workstyles Phase 3 project with a contribution of £0.725m in 2015/16 as reported to Policy and Resources on 12 September 2013 and a further allocation of £0.060m as detailed in paragraph 3.4 above.

Any additional revenue and running costs arising from direct investment through AMF should be met through the existing revenue budget of individual services.

Finance Officer Consulted: Name Rob Allen

Date: 12/02/15

7.2 Legal Implications:

The proposed works fulfil legislative requirements under health & safety law, including the Regulatory Reform (Fire Safety) Order 2005 and requirements in relation to the control of Legionella.

The access improvement works proposed will assist the council in meeting its obligations under The Equality Act 2010.

Lawyer Consulted:

Name: Oliver Dixon

Date: 05/02/15

7.3 Equalities Implications

The provision of on-going access works under the rolling programme will assist in the council in meeting requirements under the Equalities Act 2010.

7.4 Sustainability Implications

There will be reductions in carbon emissions at Hove Town Hall, with the provision of further Photo Voltaic Panels, replacement of oil fired boilers with modern gas condensing boilers and replacement of existing single glazed façade with energy efficient double glazed curtain walling. The provision of a BMS (Building Management System) will further help reduce energy consumption in Hove Town Hall

There will be increased provision of staff cycle storage and new shower facilities at Hove Town Hall to encourage staff to cycle to work

SUPPORTING DOCUMENTATION

Appendices:

- 1. Other Implications**
- 2. Details of Recommendations**

APPENDIX 1

Crime & Disorder Implications:

- 1.1 None

Risk and Opportunity Management Implications:

- 1.2 There is a Workstyles Phase 3 risk register which covers the projects at Hove Town Hall, Portslade Town Hall and Montague House. Building works at all three sites are covered under the CDM (Construction & Design Management) Regulations and other statutory requirements where applicable

Public Health Implications:

- 1.3 Works to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice ensures public health requirements are met with regard to Legionella and asbestos management.

Corporate / Citywide Implications:

- 1.4 The works at Hove Town Hall make better use of civic accommodation in line with the corporate priorities, modernisation agenda, Workstyles project and the Corporate Property Strategy and Asset Management Plan.

Details of Bids

1) Major Property Improvements

The Special Policy & Resources Committee of 13th September 2013 approved Workstyles Phase 3 which includes the major refurbishment of Hove Town Hall, and completed works at Portslade Town Hall and Montague House.

£60,000 has been allocated in the 2015/16 financial year as a contribution towards a Building Management System (BMS) in Hove Town Hall. Provision of a BMS system will ensure that the heating and ventilation system in the building will be able to work to its maximum efficiency and will help further reduce running costs.

The BMS system will also allow balancing of power usage to prevent surges, as well as monitoring energy use. It will also allow the Council to take advantage of 'Day' and 'Night' electricity rates

2) Rolling Programme of Access Improvements

Work is proposed to the following buildings:

- New England House (WC and Shower Refurbishment),
- Provision of hearing enhancement systems and automatic doors openers to larger meeting/training rooms at Hove Town Hall,
- An internal ramp at the Booth Museum,
- An external ramp at Mile Oak Pavilion
- An upgrade to the accessible WC at Hangleton Library
- A new ramp to the entrance at Hangleton Community Centre
- A new accessible WC at the Brighton centre

3) Property Related Health & Safety Legislation

Asbestos Register

This allocation meets three requirements:

1) The annual cost of the asbestos section of the proposed comprehensive Property Management and Performance data base, called Atrium that has been procured through SE7 that amounts to £8,000.

2) A contribution of £6,000 towards the annual cost of the asbestos section of the 'Safety Online' software which has to be maintained for a years overlap with the 'Atrium' system

3) An £11,000 allocation contributing towards a centralised corporate fund to meet the actions as detailed in the asbestos surveys. This fund is used

to manage the risk and prevent exposure and the spread of Asbestos Containing Material and is prioritised in the Corporate Asbestos Register.

Legionella Works (L8)

On-going works are required to council properties to ensure the water management of the council's property portfolio is meeting the requirements of the Approved Code of Practice – HES-L8 to prevent the occurrence of legionella in installed equipment and water systems. Works are planned to be carried out to Civic, Social Care and Schools buildings as identified by the Council's Compliance Manager. Works include removal of pipe 'dead legs', temperature calibrations, measures to keep water at prescribed temperatures and provision of secondary returns to avoid stagnation.

The principle buildings which will be worked on are sports pavilions such as those at Braypool, Happy Valley, Bevendean (Heath Hill Ave), Easthill, Greenleas, Waterhall, East Brighton Park, Horsdean, Neville, Preston Park and Wild Park

Fire Risk Assessment Works

This bid will contribute towards a prioritised rolling programme of works to council properties following Fire Risk Assessments of council properties. Various works have been identified and this bid will allow the highest priority works to be completed in accordance with the Regulatory Reform (Fire Safety) Order 2005.

£25,000 of this allocation has already been approved for work at Hove Town Hall. Work will also be carried out at Saltdean Primary school in connection with the proposed expansion project.

Subject:	Planned Maintenance Budget Allocation 2015-16 and Programme of Works for the Council's Operational Buildings		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 29-1450
		Martin Hilson	29-1452
	Email:	martin.hilson@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To report upon the proposed 2015-16 allocation of improvement and essential repair works to civic offices, historic, operational and commercial buildings within the Corporate Planned Maintenance Budget of £3,066,158 and the Social Care Planned Works Budget of £500,000. Examples of buildings included within this year's programme are the Royal Pavilion, Preston Manor, Hove Town Hall, Bartholomew House, Madeira Terrace, Brighton Centre, Imperial Arcade, Hollingdean Depot, and Social Care premises.
- 1.2 These budgets relate to those buildings where the council has a repairing liability but excludes council housing, highways and educational establishments which have their own budgetary provisions.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee—
- (i) approve the annual programme of planned maintenance works as detailed in Appendices 2 and 3, at a total estimated cost of £3,566,158; and
 - (ii) grant delegated authority to the Assistant Director of Property & Design to procure the planned maintenance works and enter into contracts within this budget, as required, in accordance with Contract Standing Orders.

3. CONTEXT / BACKGROUND INFORMATION

- 3.1 The council's Corporate Property Strategy & Asset Management Plan (CPS & AMP) sets out the property context for Brighton & Hove, the council's strategic property objectives, and is available for download from the Council's website. Following the introduction of a Corporate Landlord model of working in 2013, the CPS & AMP has been reviewed and refreshed. It was approved by December

2014 Policy & Resources Committee and has been re-published setting out the council's property strategy for 2014-2018.

- 3.2 The Corporate Building Maintenance Strategy supports the CPS & AMP, is an appendix of the AMP and sets out a robust strategic framework to deliver the key property objective to optimise the contribution that property makes to the council's priorities and strategic and service objectives. The aim is to ensure that finite maintenance resources are invested through prioritisation and targeted at our key operational assets to meet service delivery needs and maintain the value of our key assets. This document is being reviewed and updated to reflect our adopted Corporate Landlord model of working and the centralisation of maintenance budgets started in 2013 and will be published in 2015.
- 3.3 Like most local authorities, the council faces a backlog in its required maintenance, extreme budget challenges and our small and limited maintenance budgets are inadequate for the need. We aim to ensure best use of resources, value for money and that funding is properly prioritised. The CPS & AMP and Corporate Building Maintenance Strategy further details the way in which the council manage the required maintenance of its property assets and is the basis used for prioritising and setting this annual programme of works. The Workstyles programme ensures our key administration buildings are refurbished and we dispose of our unsuitable buildings. Under this programme we will minimise major repairs to buildings that are to be disposed, only addressing emergency priorities. This will also help to reduce carbon emissions from our estate. This principle is applied to all operational buildings/sites that are being considered for disposal, alternative use and delivery models, redevelopment and major investment. Our key aim is to avoid reaching a tipping point whereby our maintenance backlog figure is not containable. With reducing budgets it is a major challenge to try to ensure that certain buildings and structures do not bring down the appearance and reputation of the City.
- 3.4 This annual planned maintenance budget allocation is prioritised to address the more critical and essential maintenance works to support service re-design and delivery and ensure that statutory compliance works and key Health and Safety risks are addressed. Essential maintenance also includes works of a structural nature and those that keep our buildings watertight. The planned programme does not include remedial works to rectify storm damage which is covered by reactive maintenance budgets or insurance claims.
- 3.5 In accordance with the council's 50 year lease agreement with the trustees of the Dome Complex that commenced in 1999, £197,000 has been top-sliced from the budget annually to contribute to a sinking fund for maintenance liabilities at the Dome. There is an obligation within the lease agreement that the council provides a contribution to a sinking fund each year (that increases by RPI) to maintain the fabric of the building including major items of plant and the budget for this is included in the Planned Maintenance Budget.

Corporate Landlord Function

- 3.6 As part of the council's Value for Money programme, the council introduced the Corporate Landlord model and centralised the council's property functions to the professional teams in Property & Design. The aim is to improve the utilisation,

efficiency and effectiveness of our land and buildings. This is supported by the Council's new asset data management software which centralises all property related information. A major refresh of condition survey data is being undertaken to ensure a robust assessment of the council's 5-year requirement for planned maintenance.

Procurement of Planned Maintenance

- 3.7 Contract Standing Orders set out the mechanism for the procurement of works. The Construction Professionals within Property & Design have streamlined the way we procure planned maintenance through a wide range of collaborative processes. Achieving the best use of every pound spent and reducing risk is largely dependent upon adopting the right form of procurement for each given situation. Larger value projects are procured and delivered through the council's 4 year Strategic Construction Partnership. For mid-value projects we have used the Sussex Cluster Contractor Framework originating from the Improvement and Efficiency South East (IESE) initiative working in close collaboration with neighbouring county, district and borough councils, housing associations, Health Trusts, Universities, East Sussex Fire and Rescue and Sussex Police. Lower value planned maintenance projects that are well defined, and simplistic in nature, are procured using traditional competitive tendering to achieve best value.
- 3.8 Property and Design are currently working collaboratively with East Sussex County Council to procure a suite of specialist contractor frameworks such as planned mechanical works, flat and pitched roofing, etc.

Procurement of Term Maintenance & Servicing Contracts

- 3.9 The main benefits of the adoption of the Corporate Landlord model is the economy of scale, efficiencies and ease of management through the combination and retendering of several, smaller, similar contracts into four contracted lots.

In 2014-15 the major Water Management, Mechanical, Electrical and Lift statutory compliance and servicing contracts were tendered through the EU public procurement procedure. These contracts embrace a new approach to traditional servicing and compliance contracts that are yielding efficiencies year on year as reflected in agreed budget savings.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Failure to maintain our building stock and conform to Health and Safety and other statutory legislation to meet liabilities will increase risks, inhibit service delivery, may lead to a negative perception of the council, reduce the value of the assets and prevent fulfilling the council's priorities, aims and objectives as stated in the AMP & CPS and Corporate Plan.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Regular consultations have taken place with all Client Officers of the relevant Directorates and with technical officers.

6. CONCLUSION

- 6.1 To approve the financial allocation to an annual programme of maintenance works to the operational buildings excluding council housing, highways and educational properties which have their own budgetary provisions.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The council's revenue funded Planned Maintenance Budget for 2015-16 provides a total of £3,066,158 for annual planned maintenance expenditure on the council's civic offices, historic, operational (excluding schools, housing, highways and social care) 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 capitalised and included in the 2015-16 capital programme. The proposed budget allocation to the respective building portfolios reflects the risk prioritisation outlined in the report and is shown in Appendix A to this report.
- 7.2 The council's capital funded works programme provides an additional £500,000, for improvement works to Social Care premises. The proposed budget allocation is shown in Appendix B to this report.
- 7.3 The programme of works set out in the appendices can be funded from within the agreed budget allocations for 2015-16. 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 2016-17.

Finance Officer Consulted: Rob Allen

Date: 13/02/15

Legal Implications:

- 7.4 Works of repair set out in this report must comply with relevant lease conditions and health and safety and other applicable legislation. Framework agreements, with individual contracts being called off under the frameworks using partnering agreements, are effective contractual tools for delivering construction contracts on time within budget. All forms of procurement outlined in this report must comply with the council's Contract Standing Orders and, where applicable, EU and UK public procurement obligations.

Lawyer Consulted: Oliver Dixon

Date: 09/02/15

Equalities Implications:

- 7.5 Where applicable, items of maintenance work within the programme will consider the Equality Act 2010 to 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 rationalisation of assets, associated infrastructure and environmental improvements. Energy efficiency measures are incorporated into maintenance works where appropriate.

Any Other Significant Implications:

Corporate / Citywide Implications:

- 7.7 The maintenance of operational properties is part of the Corporate Property Strategy & Asset Management Plan to ensure efficient and effective use of assets contributing to the City and the council's strategic priorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Other Implications:
2. Proposed Corporate Planned Maintenance Budget Allocation 2015-16
3. Proposed Social Care Planned Works Budget Allocation 2015-16

Documents in Members' Rooms

None

Background Documents

1. The Corporate Property Strategy & Asset Management Plan
2. The Corporate Building Maintenance Strategy

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 The allocation includes funding the Water Management, Mechanical, Electrical and Lift statutory compliance and servicing contracts. Failure to have robust processes to manage these risks could lead to significant public health implications e.g. proliferation of Legionella Bacteria, etc. Both the Corporate and Social Care programmes include prioritised works to reduce risk to public health e.g. structural improvements, internal decorations to improve hygiene in Social Care premises, etc.

Proposed Corporate Planned Maintenance Budget Allocation 2015-16

Property Type	Examples of works and properties covered	Client Officer	Budget Allocation
Corporate - Building	Asbestos testing & fees	All	£43,500
Corporate - Fabric maintenance contracts, Mechanical and Electrical	Clearance of roofs, gutters, graffiti removal, boilers, legionella control, lifts, electrical testing & maintenance	All	£841,524
Historic	Royal Pavilion (including £191,000 annual financing costs for stonework project), Preston Manor, Booth Museum and Portslade Old Manor Ruins	Tim Thearle	£510,000
Dome	General maintenance	Dome	£197,000
Leisure	Leisure Centres, swimming pools, paddling pools & Withdean complex	Toby Kingsbury	£201,000
Libraries	Hove Library, Portslade Library & Rottingdean Grange	Sally McMahon	£61,300
Seafront	Seafront maintenance, chalets, Volks Railway, & Madeira Terrace	Toni Manuel	£269,200
Amenity	Pavilions, cemeteries & memorials	Peter Wickson	£117,000
Civic	Town Halls & council offices	Martin Hedgecock	£488,134
Hollingdean Depot	Hollingdean Depot	Jan Jonker	£50,000
Commercial	Community Centres & misc. Landlord obligations	Jessica Hamilton	£115,000
Venues	Brighton Centre	Howard Barden	£172,500
TOTAL			£3,066,158

Proposed Social Care Planned Works Budget Allocation 2015-16

Property Type	Examples of works covered	Prioritisation	Budget Allocation
Social Care Premises	Mechanical – water hygiene improvements & replacement heating controls	Condition survey & energy efficiency measures	£38,000
	Internal Refurbishment – to meet hygiene regulations	Statutory & condition survey	£125,000
	External Refurbishment – window replacement, external repairs & refurbishment	Condition survey	£262,000
	Fire Precautions – works identified through fire risk assessments	Statutory	£15,000
	Lifts - refurbishment	Statutory & condition survey	£60,000
TOTAL:			£500,000

Subject:	South East Business Services and Central Services		
Date of Meeting:	19 March 2015		
Report of:	Interim Director Finance & Resources		
Contact Officer:	Name:	Rachel Musson	Tel: 29-1133
	Email:	rachel.musson@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The council is facing a challenging financial environment over the next few years as set out in the Revenue Budget and Council Tax 2015/16 report and draft Medium Term Financial Strategy recently reported to Policy & Resources Committee. This will require significant change and modernisation across the whole council which our Central Services must be able to support effectively. However, Central Services themselves must also provide increasing value for money and therefore alternative options for maintaining effective support over the coming years are being explored as part of a Central Services Review.
- 1.2 One option being explored is the possibility of a shared service and this report provides both an update to the Policy & Resources Committee on the ongoing Central Services Review and seeks to obtain Members' approval for the council to become a founding member of South East Business Services (SEBS) to enable the council to fully explore this option.

2. RECOMMENDATIONS:

That the Policy & Resources Committee:

- 2.1 Approve full exploration of SEBs shared services as a founding member, including the business case development, whilst remaining open to alternative models in parallel. If appropriate, further approval to progress Joint Committee membership would be sought at a later stage.
- 2.2 Notes the ongoing work to develop an internal trading model, which could be required for any future service delivery model.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 South East Business Services

- 3.1.1 SEBS is being established by East Sussex and Surrey County Councils, who aspire to deliver an ambitious step change in business services by creating efficient, modern, agile and digitally enabled business services that will support them and partner organisations through an unprecedented period of change and

financial challenge in the public sector. The two councils intend to set up a Joint Committee arrangement to oversee SEBS' start up and development to which other partners may be admitted as appropriate. SEBS builds upon the existing and successful partnership in procurement and shared services to create a fully integrated business services organisation, from April 2015.

- 3.1.2 BHCC has been invited to join SEBS as a founding partner. This offers an opportunity to explore the potential benefits to our organisation through greater shared working, without the long-term commitment to any specific service delivery model at this stage.
- 3.1.3 There is a current window of opportunity, for us to join as a founding partner. If we do not seize this opportunity now and subsequently we decide to share services through SEBS, it would most likely be as a customer. This would be to miss out on the potential benefits of being a founding member, which include the ability to contribute to and shape: governance arrangements; the range of services to be considered and included, and; the ICT, staffing and service delivery models to be engaged, which may better protect the interests of our staff in the future.
- 3.1.4 SEBS estimate the savings achievable from the proposed partnership will be 10% to 15% over a 4 year period, whilst the Central Service Review indicated savings of 5% to 10%. In either case, the required cost of investment to deliver these savings is not yet known, nor therefore the net value of benefits which could be delivered.
- 3.1.5 To engage in SEBS, we would initially enter into a Memorandum of Understanding with the other co-founders. This would signal our commitment to properly exploring these shared services, but not preclude us from also exploring other service delivery options, and ensures all options remain open.
- 3.1.6 Once initial work has been undertaken, we would seek further approval from Policy & Resources Committee to progress alternative models and/or make stronger commitments as appropriate. For any such options, business cases will be provided for each service as they are reviewed, with the engagement of our staff and customers.
- 3.1.7 The outline business case for SEBS as produced by Surrey and East Sussex, can be found at Appendix 1. This is provided for further information and details of the arrangement. Surrey has presented this report to Cabinet on 24 February 2015 and East Sussex will present the same report on 10 March 2015. The detailed work required for SEBS has yet to be scoped by the partners.

3.2 Central Services Review

- 3.2.1 An independent consultant was commissioned at the end of 2014 to do a very high level exploration of potential models of service delivery for central services. This report has been provided in draft and the Executive Summary can be found at Appendix 2. The report recommends further exploration of SEBS would be beneficial.

- 3.2.2 The report also identifies the need for work to be undertaken to develop the costing of central services at a detailed activity level. It is essential we understand the costs associated with each defined activity, so we have a clear line of sight to the value they offer to the wider organisation.
- 3.2.3 Work will start post-budget, to develop a robust internal trading model, which enables us to understand internal and external customer demands, and the associated costs and resourcing requirements. Such models allow more informed benchmarking and can inform value for money decisions and, regardless of what models of service delivery BHCC ultimately adopt for Central Services, such information is critical to enable appropriate decision-making.
- 3.2.4 The process of accurately identifying this information also informs the end-to-end processes and costs required for activities, crossing both central and service areas. Through this, any low value, dispensable activities can be mitigated. It would be important to expedite any work on this prior to entering any shared or externalised arrangements for service delivery, to ensure the full benefits can be attributed to BHCC.
- 3.2.5 It is anticipated that an initial model with reasonable accuracy will be produced within 3 to 6 months, but a detailed and commercially accurate model will take longer. The requirement for a commercially accurate model will depend on the future direction of central services, and so the need will be considered as this work continues.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 In the future there are different service delivery models which the council could consider, each of which would need to be explored carefully for each function. This report does not seek to explore or advise on those options, but rather keep all options open until further work can be undertaken.
- 4.2 With the May 2015 elections, it is appropriate to consider future options in detail after this date.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Not required at this stage.

6. CONCLUSION

- 6.1 Agreeing to Brighton & Hove City Council becoming a founding member of SEBS affords us the opportunity to develop shared services in partnership with other local authorities. It allows us to keep all options open and available to us, whilst allowing us to improve our own internal trading model and explore shared services with other potential partners.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Resources required to develop and explore the work outlined in this report, will be provided from within existing resources. At a future stage, additional resources may be required to fund any future investments but these will be subject to further reports.

Finance Officer Consulted: Rachel Musson

Date: 19/2/15

Legal Implications:

- 9.2 The recommendations in the report do not give rise to legal implications at this stage. The Memorandum of Understanding proposed would be an indication of intent to explore Brighton & Hove Council's involvement in the SEBS arrangement and would not be an intention to create legal obligations.
- 9.3 Detailed legal advice will be required on any future proposals that are brought forward. A decision in relation to membership of a Joint Committee would be required by full Council.

Lawyer Consulted: Elizabeth Culbert

Date: 19/2/15

Equalities Implications:

- 9.4 There are no direct Equalities Impact Assessment (EIA) implications arising from this report. However, as the options work continues, any arising needs will be identified and met.

Sustainability Implications:

- 9.5 None identified

Any Other Significant Implications:

- 9.6 None identified

SUPPORTING DOCUMENTATION

Appendices:

1. SEBS Business Case by Surrey and East Sussex County Councils
2. Executive Summary from Central Services Review Report, February 2015



South East Business Services Business Case

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1. Executive Summary

East Sussex and Surrey County Council aspire to deliver an ambitious step change in our business services and believe that we are uniquely positioned to be able to do this.

Our ambition is to create efficient, modern, agile and digitally enabled business services that will support our organisations and partner organisations through an unprecedented period of change and financial challenge in the public sector. We wish to build upon our successful partnership in procurement and shared services to create a fully integrated business services organisation called “South East Business Services” (SEBS) from April 2015.

Customer service and delivering public value will be at the core of what we do. Our public service values and ability to innovate and design services that are focused on improving the performance of our customers will set us apart from other support service organisations in both the public and private sectors. Through bringing together Surrey and East Sussex Business Services we will create sufficient scale that will allow us to recruit and retain the best staff, drive shared efficiencies and invest in new technology that might otherwise be prohibitively expensive for our organisations alone.

Our aim is to become the provider of choice for other public sector bodies and we expect the partnership to grow beyond the two county councils in the early stages of its development. We are actively engaged with other potential partners to that end. Business growth will in turn give us increased commercial leverage and will increase our volume of activity enabling SEBS to drive down the costs of service delivery, whilst increasing sustainability and resilience.

Savings achievable from the partnership are estimated to range between 10% and 15% of the gross salary spend based upon industry benchmarks. This would result in savings of £6m to £8m per annum by the end of the 4th year. Investment in technology will be required to achieve the savings and a project of this magnitude will incur significant implementation costs – these are expected to be from £6m to £10m.

We also intend to adopt a similar integration approach to the management of the legal services provided by the two councils and will do so under the same governance arrangements set out in this business case.

2. Purpose

2.1. This document sets out the strategic business case for East Sussex and Surrey County Councils to work in partnership to develop “South East Business Services”, and sets out the options and recommendations to realise the ambitions and vision of the founding partners.

2.2. From here on in, we will refer to South East Business Services as ‘SEBS’. When the document refers to ‘we’ this should be read in the context of East Sussex and Surrey County Council working in partnership.

3. Background information

3.1. East Sussex and Surrey County Councils are both forward thinking and innovative organisations with a relentless drive to improve efficiency and deliver good quality, affordable services for our residents and businesses. Both councils have a strong

track record of delivering through partnerships and have already developed an effective working relationship through sharing services.

- 3.2. The Business Services departments of both East Sussex and Surrey County Council provide a range of professional, advisory, transactional and operational services. We have a wide ranging remit that supports residents, elected councillors, and public-facing services, including schools and the fire services. The Business Services departments manage large operational budgets on behalf of each council, with a combined net revenue budget of £106m per annum.
- 3.3. East Sussex and Surrey County Councils have an established history of partnership working. In April 2013, we established a partnership for procurement. The joint procurement team use a best practice category management approach to procurement. Common technology solutions and processes have been adopted for e-tendering, e-contract management, project benefits tracking and document sharing, and these have enabled a well-founded programme of work to be delivered that is aligned with the councils' budget plans. The team is led across both authorities by a shared Senior Management Team under a shared lead officer, whose appointment was made jointly.
- 3.4. Also, in April 2013, Surrey County Council and East Sussex County Council entered into an arrangement which brought together transactional services from both organisations, including accounts payable, accounts receivable, payroll, expenses and pensions administration, along with the hosting of our core financial and HR systems (SAP), under the discrete brand of South East Shared Services (SESS). These transactional services had formerly been outsourced by East Sussex County Council to a private company. This project has led to a collaborative relationship between our Councils, with senior managers and operational managers working closely together to ensure successful and valued service to customers. Within the proposal of this Business Case, SESS is integrated within SEBS and becomes an operational service.
- 3.5. On 15 September 2014, East Sussex and Surrey County Council in partnership communicated their ambition to create SEBS; a shared business advisory, professional and transactional service supported through a shared business model.
- 3.6. We believe that SEBS will build on our existing relationship to deepen trust and co-operation between the organisations. The effect of this will be a rigorous evaluation of processes in both Councils, bringing in best practice from each other's best performing services, to create modern, resilient, agile and cost effective business services.
- 3.7. In 2013, the partnership successfully bid for funding from the government's Transformation Challenge Award fund to support the development of the shared services partnership and its wider public service partnership with the 'blue light' services (police and fire and rescue services). The £750,000 grant has helped to fund the cost of the work of the programme to date, including the work to assess the level of technology investment required to support the integrated service model, the communications and engagement process with our staff, the process design and improvement work in our transactional services and our engagement with wider partners.

4. Vision

- 4.1. Our vision is to build a strong partnership of local authorities with values and principles aligned to the SEBS partnership. We will create a single organisation (SEBS) that will provide transactional and professional business services to their own authorities, the wider public sector and beyond – creating public value for residents.
- 4.2. Over the next four years, we will map out, target, define and consolidate a range of business services, ensuring that the emerging service framework will enable and fully support the SEBS business vision and strategy and begin to deliver significant improvements within the first year of the Partnership.
- 4.3. The services provided by SEBS will initially include transactional services, Finance, Human Resources, IT, Property and Procurement services. These services are illustrated in Appendix 1. The scope of SEBS will not be limited to delivering these core business services functions and may integrate the support services of other founding partners which are not currently carried out by East Sussex and Surrey County Council, for example Revenues and Benefits. Our respective Legal Services teams are working to develop a similar model to deliver professional legal support and with the introduction of new partners, we anticipate that other business services will be integrated into SEBS.
- 4.4. Innovation and continuous improvement will drive process simplification along with targeted systems automation. We also plan to evaluate and adopt, wherever beneficial, new and emerging technologies that will provide and support a modern agile approach to service management and delivery. This approach will further ensure that we can meet the financial challenges we face in the most resilient manner, by sharing professional and technical expertise. We will ensure that our new shared services are made accessible and ready to be offered to additional public service partners and customers as quickly as possible. This will offer additional economies of scale to further drive down the overall costs of service delivery. We also believe that the shift in focus to developing a compelling third-party service offer will also raise standards and quality of delivery across all participating partner organisations, increasing sustainability and resilience overall.
- 4.5. The development and evolution of SEBS will therefore take place in a series of structured and well planned stages that ensures service delivery for partner organisations is sustained. Key decisions on change will be taken by the partnership and through the partnership. This will enable the greatest efficiency gains to be delivered for customers, and ensures that organisational sovereignty is respected.
- 4.6. We intend to understand, and deploy where appropriate, best practice from all partners and the broader public and private sectors, in order to build on and improve service quality and provide customer excellence. In developing this business case we have undertaken research around the models in place in other shared services partnerships in the public sector. In particular, we have the benefit

of the learning and support that the LGSS and Onesource¹ have provided in sharing their approach to partnership.

- 4.7. While we expect SEBS to become a compelling alternative to private sector organisations, we also recognise that these service delivery changes must be undertaken and implemented without losing sight of our core mission, purpose and identity as local authorities. On that basis, we believe that SEBS will lead East Sussex County Council and Surrey County Council business services functions into a fully integrated operating model that will in turn significantly increase ongoing and long term public value for the council taxpayers and residents of both Surrey and East Sussex.
- 4.8. We believe that the creation of SEBS is the best option for our authorities to improve public value for our residents and businesses, and to ensure that our services to them are supported by an efficient and effective business service. SEBS will offer us the most flexible, affordable and adaptable model for change, ensuring that the arrangements support the transformation agenda of each council. It also offers us the best opportunity to sustain employment and enhance professional development for our staff. We expect SEBS to become a highly innovative environment that will attract and retain talented professionals who will share our aspirations to deliver high quality public services using a next-generation approach.
- 4.9. We recognise there are a number of operating models and design principles that could be adopted in the creation of SEBS. The vision of SEBS is not simply about joining two existing Business Services departments to create one joint internal department. It is about being creative and innovative so that, as well as achieving the efficiency savings needed for both organisations, it also creates an enterprise that can act as a catalyst to support the transformation of our wider organisations and the services provided to residents. It also supports our ambition for future growth, to include additional partners.
- 4.10. SEBS will consider a wide range of design models to make the best business decision for each service area and to develop a model that will provide the basis for new partners to join. In particular, we will design our new service model for SEBS to reflect how we can: add value to our customers; enhance the use of new digital technologies to improve customer service and increase efficiencies; develop the capacity to grow by bringing new partners on board; ensure we have the capabilities and capacity to continually innovate our service offer and business processes; reflect the needs of our customers to remain close to their businesses, while generating maximum economies through co-location in those services which are transactional and volume based. We will create an innovative service offer that others will want to join and which adds value to our customers and generates public value for our residents.

¹ OneSource is a shared service arrangement between East London boroughs, Havering and Newham London Borough Councils. It shares support services including HR, ICT, finance, benefits, council tax and business rates. It was set up in 2013. Local Government Shared Services (LGSS) is a partnership between Northamptonshire and Cambridgeshire County Councils to provide support services back to the founding authorities. It was set up in 2010. Both arrangements operate under a Joint Committee governance structure.

5. Partnership Creation and Delivery Challenges

- 5.1. The development of South East Business Services is an ambitious programme of change that will bring together two large business services functions to create a new integrated service with a common culture, based on public service values underpinned by efficient, modern, agile and digitally enabled business practices and thinking.
- 5.2. It will be a challenging programme of change that recognises the continued need to make significant financial savings whilst at the same time:
 - Investing in modern systems and working practices
 - Rethinking the business from a digital perspective
 - Maintaining our strong partnership ethos, building on the relationships we have developed and creating greater strength in our partnering capabilities
 - Retaining and developing our talented people and creating a profile as an employer of choice
- 5.3. Our focus on outcomes will at times test the strength of the partnership as we challenge how we work, the systems we use and the processes and policies we adopt in order to create the greatest opportunity for seamless and integrated business service delivery that best meets the requirements of our councils and partners.
- 5.4. We need to be open to new learning and recognise that by adopting the best parts of the Partners in the service we will be stronger and more resilient. We need to meet the challenge of behaving like a partnership and making speedy and decisive decisions like a single entity.
- 5.5. We have had experience of working together in business services since 2013 and this has given us the foundation to have confidence that we can meet the challenges of partnership working and enhancing the quality of the business services of our Councils.
- 5.6. We need to maximise the potential from this experience to date in order to continue to develop our services in a market in which we anticipate will become more competitive and diverse.

6. Options appraisal – identification and recommendation

6.1. Overview of options

- 6.1.1. A range of options has been considered by the SEBS Programme Board (see Appendix 2 for structure and responsibilities of this Board) for the form which the partnership could take. In doing so, the Board has considered those options currently operating for a range of services in other local authorities in England and Wales, as well as the wider public sector.
- 6.1.2. In considering the choice of delivery model for the partnership, the Programme Board was mindful of the wider ambitions of the partners to become the partners of choice for the wider public sector, the potential impact on the 1,400 full and part time workers currently employed by the two Counties Business Service Departments and the desire to ensure that the delivery vehicle retains a culture of public service delivery. A culture of ‘for the public sector, by the public sector’ and the need for it to continue to feel like an integral part of the partner councils, and not something separate or remote, was seen as a key factor in determining the optimum delivery model. Following consideration of all possible vehicles, the options shortlisted by the SEBS Programme Board are:
 - 6.1.2.1. Continue to provide the range of services as currently, through the separate management of the two councils (Do Nothing);
 - 6.1.2.2. Establish a Joint Committee of members from the partner councils to oversee delivery of the business services using powers delegated by the partner authorities;
 - 6.1.2.3. Deliver the range of “business services” through a company set up for the purpose and owned by the partners;
 - 6.1.2.4. Contract with a private sector partner to deliver the range of services currently managed by within the Business Service departments of the councils (Outsourcing); and
 - 6.1.2.5. Join an existing shared service partnership.
- 6.1.3. Key considerations in assessing the delivery models were; alignment of the end-state with the vision as described in Section 4, alignment with overall vision (described above), cost and quality, strength of governance arrangements; ability to meet future challenges and adapt to changes in demand from business service users; ability to provide services to other bodies; speed of delivering benefits; and impact on each council’s pension funds.

6.2. Options Identification

6.2.1. Option 1 - maintain current arrangements

- 6.2.1.1. This option would retain the current approach to the delivery of the services managed within the Business Services departments of the councils, with separate line management of the individual service functions. Some tactical sharing of services would continue, as with the existing sharing of a Head of Procurement, but these would be pursued on an individual case-by-case basis as the opportunities arise.
- 6.2.1.2. The ability to make efficiencies through economies of scale and to share learning and practice would be very limited. There would also be little scope to increase resilience or provide a wide range of services to other bodies.
- 6.2.1.3. This option is not consistent with the overall vision, and on its own would not enable the councils to respond to these challenges in the most ambitious, innovative and productive way. The relationship between the councils has matured and developed and this option would not exploit the greater potential the councils have, based on what has been achieved to date.

6.2.2. Option 2 - Joint Committee

- 6.2.2.1. This option would involve the establishment of a Joint Committee of Members from the partner authorities with formal powers for strategic management of the range of services delegated to it.
- 6.2.2.2. Joint Committees are a well established vehicle for partnership working across the local government sector for the management of a range of different services, and are a robust governance model where two or more local authorities come together to share services. They have the assurance of democratic control and accountability by the partner authorities with Member direction at the heart of the partnership.
- 6.2.2.3. A joint committee can have its own identity and branding but it is not a legal entity separate from its constituent authorities. It cannot enter into a contract, own land or employ staff in its own right, so one or more of the authorities may need to take a “lead authority” role to undertake these activities under the control of and on behalf of the joint committee. This can make cultural change slower, but has the benefit of eliminating the need to TUPE staff to a new entity.
- 6.2.2.4. The use of a joint committee would align with the vision of the founding partners to work in partnership and provide services across the public sector and the objectives of the partnership. The model is flexible and can easily be expanded by admitting other local authorities to the partnership.

- 6.2.2.5. Joint committees are able to provide services to a range of other local authorities and public bodies but cannot trade with the private sector for profit, although establishing a separate company within the partnership to trade would resolve this issue.
- 6.2.2.6. This option would not be complex or costly to establish and it enables flexibility in terms of the phasing of the implementation, and also service delivery. This model would be sufficiently flexible to cope with changes in demand from legislative change and from business service users, and so would not inhibit the ability of those users to make the structural changes or adaptations they consider necessary to provide their frontline services.
- 6.2.2.7. Control would continue to rest with the partner authorities who could dictate the pace and scope, allowing the partnership to establish itself and grow. A joint committee would also enable the partners to retain the flexibility to contract with other private or public bodies and charge for particular services should that be considered advantageous.

6.2.3. Option 3 - Set up a separate company

- 6.2.3.1. This option would see the creation of a company wholly owned by the partner councils. The benefits in such an approach include the ability to create a separate 'corporate' identity around the delivery of business services. This provides the potential benefit of a specific focus on the range of services in scope and a platform for creating a new commercial culture associated with service delivery, but at the same time could lead to a sense of being remote from the partner organisations.
- 6.2.3.2. The new company would be a legal entity in its own right, separate and distinct from its owning authorities, with its own branding and identity. It could own property and enter into contracts. The directors of the company would be duty bound to act solely in the interests of the company which could lead to a divergence of ethos from the public sector it is supporting.
- 6.2.3.3. This is a recognised model and there are some good examples of wholly owned public sector companies which have been established to trade with their owning public authorities. A company would have strong governance arrangements in place, and would be governed by its articles of association and a shareholders' agreement which would be determined by the councils. A Board of Directors would run the company and the participating authorities could retain the right to appoint to it. If appropriate the Board could include independent non-executive board members. Arrangements would have to be put in place to safeguard against conflicts of interest that may arise in relation to Local Authority Members or officers acting as Directors of the Company.

- 6.2.3.4. The ability to participate in the model could be extended to local authorities and other public sector bodies, who could become shareholders of the company in future, if they wished to join the Partnership.
- 6.2.3.5. The award of a contract to the company by the controlling authorities would not trigger the EU/UK procurement rules where more than 80% of the activities carried out by the company were with the controlling authorities. This rule could, however, inhibit the ability to provide services to other public bodies. Should the level of activity exceed the threshold, the company would need to compete for the work that it provides to its parent councils. In turn this would increase bureaucracy and cost to partner councils.
- 6.2.3.6. In order to commence operation under this model, the partner authorities would need to enter into contracts with the company to purchase services from it and staff would subsequently be TUPEd over to become employees of the company. This would increase the implementation time required for the new arrangements and may, depending upon the arrangements decided, have a detrimental impact on each authority's pension fund. The company would also be required to comply with company law, prepare its own statutory accounts and have these audited in compliance with the Companies Acts. It would be liable to corporation tax on any profits generated.
- 6.2.3.7. The partner authorities would have to be mindful of State Aid rules and competition law in relation to the assistance given to a company. Support given to the company, such as access to services and accommodation would need to be properly recharged and so require further contractual arrangements. Loans and other funding would need to be on a basis on which a prudent investor would likely invest in such a company.

6.2.4. Option 4 - Contract with a private sector partner

- 6.2.4.1. This option would see processes and job functions that are currently carried out by the Business Services departments contracted out to outside suppliers.
- 6.2.4.2. External contracting for the full range of services currently managed by the two Business Service departments is not currently considered as an optimal solution for the future delivery of support services for the partner councils. This approach does not align with the vision of the partners to retain public value within the public sector, and would limit the ambition of the partners to generate further efficiencies through the expansion of the partnership to other public sector partners.

- 6.2.4.3. This option would take longer to implement, requiring the packaging of the services, a competitive tendering process, evaluation and then implementation, and it is anticipated that this process would take at least 12 months. This option would require the transfer of staff to the private sector contractor and could, depending upon the arrangements, have consequences for the sustainability of the authority's pension funds. Although once implemented, early savings could be achieved through outsourcing, it is considered that this type of arrangement may restrict the ability to deliver further efficiencies. This is particularly the case if the economic environment changes significantly again in the future, or the approach to the delivery of other services within the constituent authorities undergoes other structural changes. Entering into a contract with a for profit organisation for such a range of services is likely to lock the councils into medium to long term financial commitments and so is less flexible than some of the other options. Changes in scope can be expensive and it would limit the ability of the service users to make changes where they impact on the contract.
- 6.2.4.4. While the wholesale outsourcing of these services is not considered as the optimal solution at this stage, the partnership will retain the flexibility to contract for services within its overall scope, thus ensuring maximum flexibility in service delivery; the ability to secure greater value in external contracting by taking a partnership approach and thus ensuring greater economies of scale; and securing external skills capability and capacity where these are best delivered through external contracting.

6.2.5. Option 5 – Join another shared service

- 6.2.5.1. This option would involve the councils joining an existing, established, shared services partnership. On the assumption that we entered on equal terms with existing partners, the benefits as regards governance arrangements would be similar to those of establishing our own joint committee. Although there would be potential benefits of speed in set-up, it is considered that these would be marginal, as there would be significant challenges in securing cultural change with staff buy in.
- 6.2.5.2. We have investigated existing shared service partnerships and have been grateful for the time and learning that those partnerships have shared with us. We believe that there are significant opportunities for the future sharing of service delivery and wider partnership with other shared service partnerships and would wish to explore those options with them in the future.
- 6.2.5.3. We therefore see the collaboration with established shared services partnerships as complementary to the establishment of our own partnership and believe that we can achieve the best of both worlds through establishing a body that can become the partner of choice in the South East, while collaborating with and learning from other shared service partners to the mutual benefit of all partners.

6.3. Recommended option for delivery

- 6.3.1. On the basis of the evaluation process, we recommend Option 2 and that our respective Cabinets establish a Joint Committee in order to support the integration of business services across the partner organisations.
- 6.3.2. This approach would not require a TUPE transfer of staff, would enable the implementation of the partnership in a stable and controlled way, minimising risk to service users; maintain flexibility to react to the needs of service users; have strong governance arrangements in place; and have direct Member oversight. It would also enable the partners to pursue their vision of developing the ability to provide services to other local authorities and public bodies.

7. Joint Committee

- 7.1. All of the shared professional and business service functions identified in this report are executive functions, enabling the authorities' Cabinets to agree joint arrangements to discharge those functions through the establishment of a Joint Committee.
- 7.2. Each Council would empower the Joint Committee by delegating responsibility for discharging the relevant functions to it and by financing it through an agreed budget. Regulations permit the relevant Cabinets to then determine the membership of the Committee. This will need to comprise Members of the Cabinet of each council.
- 7.3. The Joint Committee's authority would be limited to the professional and transactional business services delegated to it and strategically significant powers would be retained by the parent authority. So for example, whilst the Joint Committee would have oversight of the councils' facilities management arrangements, decisions relating to the acquisition, retention and disposal of properties within the estate would be a matter for the relevant Cabinet. Similarly, whilst the Joint Committee will have oversight of the Finance function, each Cabinet will continue to consider its own Medium Term Financial Plans and associated financial strategies as now.
- 7.4. The Business Service functions delivered to each council through the Joint Committee will be scrutinised by its Members through existing scrutiny arrangements.
- 7.5. A Joint Committee is not a separate legal entity. Officers will therefore remain employed and assets will be owned, by a parent authority. Any contract with a third party would have to be entered into by one of the parent authorities.
- 7.6. We have acknowledged that this venture is underpinned by mutual trust and cooperation, consequently an overriding principle is that the authorities will share the costs, expenses and savings involved in sharing of services fairly, transparently and on an agreed share basis. It is however advisable and usual practice for a specific agreement to be drawn up to underpin the arrangements. This would include the various rights and responsibilities of the parties and the precise nature of the joint

working relationship, including how any disagreements would be resolved. It is envisaged that the agreement will commit the parties on an indefinite basis however there will need to be provisions within the arrangement for a party to terminate due to exceptional circumstances. The principles underpinning the governance and financial arrangements in relation to both entry and exit from the partnership will be further developed and reported to each council's Cabinet in a more detailed Business Plan for the partnership in July 2015.

8. Financial benefits and implementation costs

8.1. Both Surrey County Council and East Sussex County Council, as with other public sector bodies, are faced with delivering services to the public in the context of reduced funding and increasing demands for core services. SEBS will deliver benefits to both councils by combining resources to deliver economies of scale and build resilience. Staffing spend can be reduced by removing duplication, streamlining management structures and from improving processes. By working together, investment in technology to deliver step-change and continual improvement becomes a more affordable and compelling proposition than if one party were to undertake the investment alone.

Saving per annum by Year 4	£6m to £8m
Investment and Implementation costs (one-off)	£6m to £10m

8.2. We expect the partnership will grow over time, with this taking place in two ways:

8.2.1. Another Local Authority may wish to join the partnership and form part of the Joint Committee. This will deliver further economies of scale and financial savings to the parties involved; and

8.2.2. The partnership will additionally pursue opportunities to enhance income, by providing services to other public sector clients on a contractual basis or by means of specific delegation of function.

8.3. A number of Local Authorities have entered into shared services arrangements with like-minded partners, to deliver savings and enhance value for money. Some of these arrangements are described in research undertaken by the Local Government Association and the Chartered Institute of Public Finance and Accountancy (CIPFA)². Figure 1 below illustrates this approach. These research documents have provided a valuable starting point and benchmarks for consideration of the achievable benefits from the proposed partnership. Senior managers of the two councils have also undertaken a site visit to LGSS, a similarly sized partnership created by Cambridgeshire County Council and Northamptonshire County Council.

8.4. We have considered this research and recognised that both authorities (East Sussex County Council and Surrey County Council) have, on an individual basis, already delivered significant savings to their councils in recent years from

² LGA "Services Shared: Services Spared?" 2012 & CIPFA "Sharing the Gain-Collaborating for Cost Effectiveness" 2010

centralisation, streamlining of processes and investment in technology. We can however, achieve further savings together as a partnership. These savings are achievable from the benefits of scale, from adopting and sharing best practice, the removal of duplication and streamlining of management. This collaborative approach will ensure the requirement to deliver savings and affordable back-office services does not compromise quality and the ability to support the transformational agenda of the participating councils.

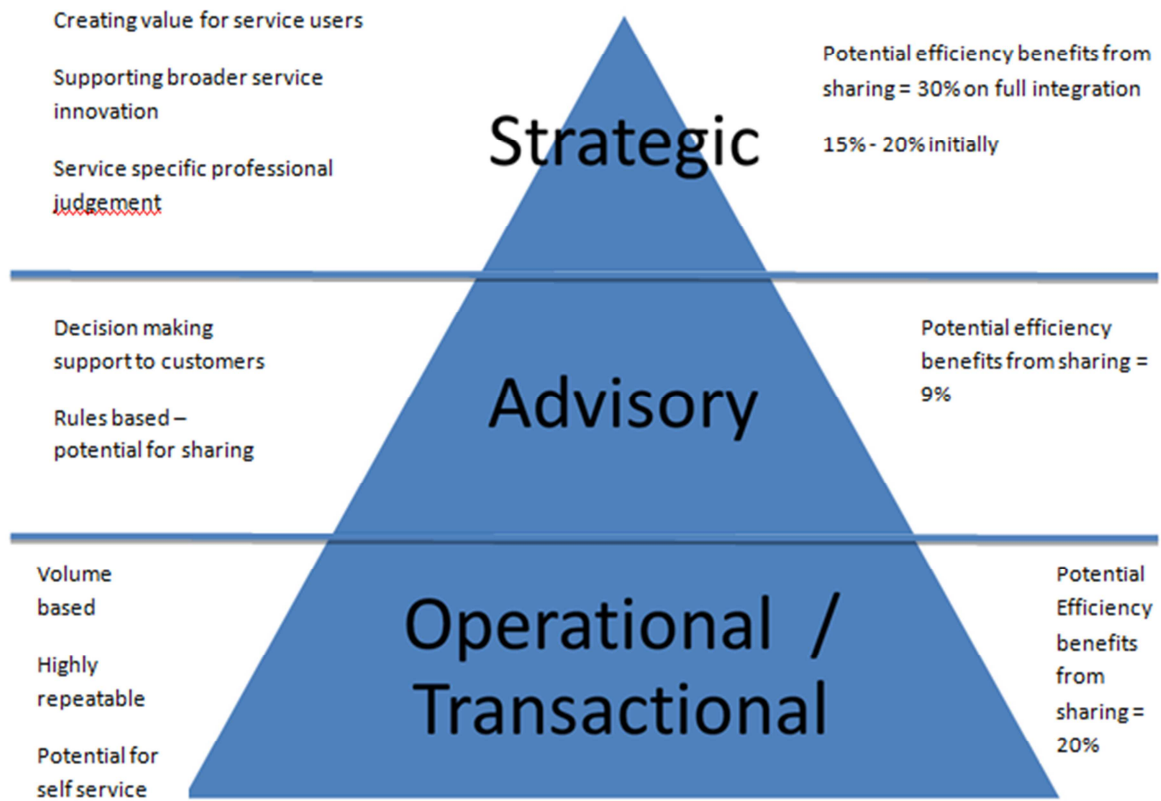


Fig 1. Based on the strategic, Advisory and operational split in the target operating model and research by CIPFA's Shared Service Architects on the benefits derived from sharing services in a shared services partnership between two or more organisations.

- 8.5. The partnership will be the mechanism to deliver and potentially exceed the existing target savings included within the Medium Term Financial Plans of both councils in the activities that will be managed by the Joint Committee. We estimate that the savings achievable from the proposed partnership will be between 10% to 15% net of the relevant operational budget of the Joint Committee over a four year period. In terms of the partnership staffing spend, this means gross savings of between £6m and £8m per annum by the end of the four year period. As some staff costs are recharged to the capital budgets and pension fund of each authority or supported by income, the savings attributable to the revenue budgets of the two authorities will be between £5m to £7.5m per annum.
- 8.6. Achieving savings of this scale will require investment. Delivery of the savings will be dependent upon the use of common technology and processes and seamless connectivity between the councils. In particular, there will be a requirement to

undertake significant investment in our back-office support systems which provide the functionality to deliver general ledger and transactional capability for Finance, Human Resources and Procurement/purchasing activities.

- 8.7. Additional resources will be required to manage the programme, support organisational change and the costs of change, develop new ways of working and to deliver the technology improvements required. We estimate that the total implementation costs, will be between £6m to £10m.
- 8.8. This investment, however, includes technology improvements that would have been undertaken regardless of the partnership. The adoption of more intuitive user driven digital applications requiring minimal intervention and available on mobile devices, such as employee expenses processes, and the adoption of dashboard style management information to give two examples, will deliver wider organisational business benefits for each council impacting upon the whole budget and not just that of business services activities.
- 8.9. The proposal to establish the SEBS partnership is not dependent on this investment. The partnership will be able to create a greater benefit from a range of investments that would need to be considered by partners in response to meeting savings and efficiency challenges. In addition, investment made through SEBS as the delivery vehicle would be lower than if partners made these investments independent of each other.
- 8.10. Further work is required to identify appropriate solutions and to refine these estimates. Therefore, a more comprehensive Business Plan, confirming the savings achievable and the investment required will be provided for each Cabinet's consideration by July 2015. In the interim, the additional resources required to develop the programme, including the work completed to date, have been funded from the Transformation Award grant of £750,000 secured by the partnership in 2013.

Financial arrangements

8.11. Principles

- 8.11.1. The financial arrangements of the partnership, such as decisions required in relation to the sharing of investment and cost apportionment, will be determined upon the basis of balance between risk and reward, and the proportionate size of each founding partner. The activities of the partnership will be responsive to each council's strategies and priorities, and to structural changes, including those driven by legislative change. Therefore, the financial arrangements will recognise that the sharing of costs will be subject to similar considerations.
- 8.11.2. Professional, advisory, transactional and operational services undertake a number of activities on behalf of each council, including the management of non-staffing costs on behalf of the whole organisation. For example, the Property Service of each council manages the budget set aside to pay for rents, rates, utilities and other associated running costs for all council buildings. Decisions in relation to these property assets, for example a decision to relocate a library, will continue to be taken by each council's

respective Cabinet or Executive function and therefore will not form part of the decision-making delegated to the Joint Committee. It will be the case, therefore, that the Joint Committee will be responsible for two types of budgets: budgets that are managed on behalf of each council on an individual basis; and budgets related to the delivery of joint activities for which the Joint Committee will be fully accountable.

- 8.11.3. We will distinguish between these two responsibilities by using the term “Operational Budget”. The Operational Budget of the partnership will be the amount agreed by each authority as being the appropriate budget to deliver the agreed delegated functions of the Joint Committee.
- 8.11.4. Expenditure related to activities and decision-making that are not delegated to the Joint Committee, but retained for decision-making by each council and / or its Cabinet on an individual basis, will not form part of the operational budget of the partnership but may be managed on their behalf. Officers working within the partnership will continue to advise Members and Chief Officers on these matters, including appropriate budget implications for inclusion within each council’s medium term planning process.
- 8.11.5. The Joint Committee will prepare and update the Operational Budget requirement on an annual basis, and seek approval from each council as part of the medium term planning process of each council. The Joint Committee will recommend the appropriate budget contribution from each council, taking into account, where relevant, any material changes in activity. The proportionate contribution from each partner may therefore change over time in accordance with changes in priorities or in light of structural changes within each council.
- 8.11.6. Once approved by each council, the Joint Committee will be accountable for the delivering the delegated functions in accordance with the agreed operational budget.
- 8.11.7. The methodology adopted to determine the appropriate apportionment of costs will be developed further and reported as part of the more detailed business plan for the partnership. In principle however, both parties recognise that this methodology will need to be fair and transparent, take into account changes in demand and will require the development of management information to support the mechanism.
- 8.11.8. The cost of investment and implementation will be shared in accordance with the cost-sharing methodology, and therefore in accordance with the savings attributable from the investment. We recognise that there may be exceptions to this principle, particularly if one party has already invested in technology which has delivered benefits and therefore savings have been recognised already in appropriate budgets.
- 8.11.9. The broad principles underpinning the financial arrangements have been agreed by the partners; a proportionate balance between risk and reward and a transparent approach to the sharing of costs and investment required. These principles will additionally apply to other founding partners. Where services are provided to other public sector clients on a contractual basis or by means of specific delegation of functions, then the resulting net income, after having taken account of the cost of delivery, will be shared in

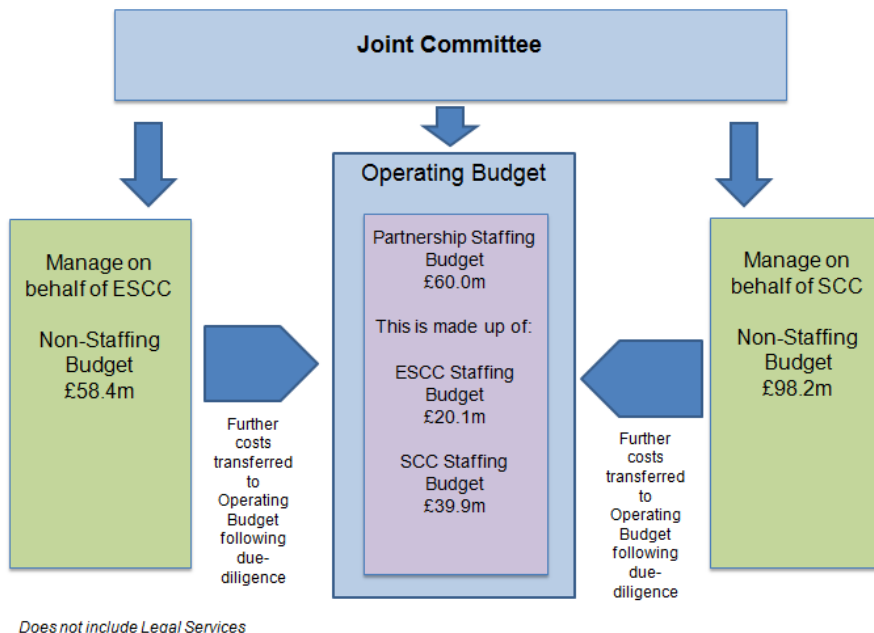
accordance with these broad principles. The broad principles will be further developed in the more detailed governance arrangements in the business plan report. Further details will also be provided regarding the more practical arrangements and implications of the partnership, including the frequency of financial monitoring reporting to each council and treatment of in-year variances and so forth.

8.12. Financial implications

8.12.1. The Joint Committee will be accountable for the agreed Operating Budget that accords with the delegated functions. Officers have completed preliminary baseline analysis, using 2014/15 budgets, to determine this operating budget and those costs and budgets that are not delegated, but which will be managed on behalf of each council.

8.12.2. We have determined that there are some differences in activity between the parties and where this is the case, we have recognised that whilst these activities will form part of the partnership, they have not been included within the baseline for estimating potential savings as the activities are not shared.

8.12.3. At this stage, we have primarily focused our baseline analysis on staffing costs and can be reasonably confident with the analysis completed to date on staffing budgets and spend, and therefore the budget that will be delegated to the Joint Committee. Further analysis is required to differentiate between the two types of budget however, particularly in relation to non-staffing costs.



8.12.4. All analysis completed to date is subject to a period of further due-diligence prior to the completion of the detailed business plan in July 2015. Further work is also needed to develop a more detailed cost analysis of legal services, which will be incorporated into the Operating Budget. At this stage the 2015/16 base budget will be used.

8.12.5. The provisional Operating Budget of the Joint Committee based upon the 2014/15 baseline staffing budgets of East Sussex County Council and Surrey County Council, prior to the completion of due-diligence and the detailed business plan, will therefore be £60.0m. This provisional budget includes a small number of activities that are undertaken by one council only, and adjusting for this creates a budget in relation to joint shared activities of £56.7m per annum. This results in an indicative initial cost, investment and benefit sharing proportion of 66% Surrey County Council and 34% East Sussex County Council. As noted, there may be exceptions to this in relation to specific investment proposals and these proportions will change over time as a result of changes in demand, including those created by structural change in each council.

9. Equality implications

9.1. At this point there are no identified equality implications in terms of setting up the Joint Committee. There may, however, be equality implications around the decisions that the Joint Committee may take in the future. We recognise that there will need to be a Pay and Workforce Strategy to underpin the proposed arrangements, which will also consider potential issues around pay differentials between the founding partners. A full Equality Impact Assessment on the SEBS Programme will be undertaken for July 2015. Equality and Diversity principles will be fed into the design of SEBS based on the evidence that we have.

10. Risk Assessment

10.1. The council's anticipate that the arrangements will remain in place on an indefinite basis. There is a risk therefore that during this time there may be significant changes to each council which impacts upon the services that are required to be delivered by the Joint Committee. The principles underpinning the governance and financial arrangements recognise that this may be the case. The Joint Committee will provide an effective governance structure to ensure that the joint service continues to meet the needs of both partners and that the key broad principles of transparency and equity continue to apply.

10.2. Establishing the partnership and implementing the organisational, process and technology changes required to deliver the target savings may impact on the provision of services to each council – both in terms of supporting “Business as Usual” activities and providing strategic advisory support for wider transformational change within each council. The partnership will, as part of the more detailed business plan, articulate the additional implementation and programme management resources required to mitigate against this and will work with each council to develop a high-level timetable of change to minimise any adverse impact.

10.3. There is a risk that the partnership does not deliver the full extent of the savings articulated in this business case. The transformational change proposed by the partnership will require significant investment which will require that the partners commit to a long-term relationship. Whilst there will be some quick wins, the majority of the savings rely upon a programme of investment and change that will deliver a net benefit over a longer term. The investment will only be proposed upon

the basis of a robust business case which articulates the resources required and realistic timeframes for delivery.

- 10.4. The ambition to extend the arrangement to other founding partners may have an adverse impact upon the pace of change and on the delivery of services. The partnership recognises that the first year of operation will be a “start-up” phase and that careful consideration will need to be given to growth. The Joint Committee will not have the authority to amend the agreement to take on new partners without recourse to each council’s Cabinet. This will help to ensure that the business case for a new partner is comprehensive and takes into account any negative impact on agreed savings targets and service delivery.
- 10.5. The organisational, process and technology changes required, together with fears in relation to a reduction in jobs, as duplication is removed and changes to management are made, may have an adverse impact on staff. Staff may feel a reduced resilience to change leading to capacity issues, low morale and increased turnover. The partnership will ensure that communication, consultation and engagement remain a priority for the programme. Staff will be involved in developing the organisational design which will help to emphasise that the partnership will lead to enhanced opportunities for staff and a strengthening of internal skills.

Appendix 1

Delegated Functions - Scope of Functions included in South East Business Services

Surrey County Council	East Sussex County Council
<p>Property Services:</p> <ul style="list-style-type: none"> • Facilities Management • Maintenance - helpdesk • Maintenance - contract management • Maintenance - delivery • Asset Strategy / Relationship Management • Estate Management • Energy Management • Project Delivery / Project Management • Other contract management • Data Management, Administration • Asset Planning / Investment Commercial • Performance - including financial management. 	<p>Property Services:</p> <ul style="list-style-type: none"> • Facilities Management • Maintenance - helpdesk • Maintenance - delivery • Asset Strategy / Relationship Management • Estate Management • Energy Management • Project Delivery / Project Management • Other contract management incl. Services to schools • Data Management, Administration
<p>IMT:</p> <ul style="list-style-type: none"> • SAP Support / Development • IT Helpdesk • Desktop / Infrastructure Support • Data Centre Management • Network Contract Management / Support • Application Development and Support • Project delivery / management 	<p>ICT:</p> <ul style="list-style-type: none"> • SAP Support / Development • IT Helpdesk • Desktop / Infrastructure Support • Data Centre Management • Network Contract Management / Support • Application Development and Support • Project delivery / management • Print services • ICT Services to schools
<p>Human Resources:</p> <ul style="list-style-type: none"> • Training Delivery & Support • Organisational / Workforce Development • Case Management / Relationship Management • Policy & Reward 	<p>Personnel and Training:</p> <ul style="list-style-type: none"> • Occupational Health • Training Delivery & Support • Organisational / Workforce Development • Case Management / Relationship Management • Recruitment • Personnel Support Unit

Surrey County Council	East Sussex County Council
<p>Finance:</p> <ul style="list-style-type: none"> • Treasury Management • Pension Fund Management • Financial Accounting • Service Support Teams / Management accounting • Schools Support Services • Project Support • VAT • Financial Strategy & Funding • Insurance 	<p>Finance:</p> <ul style="list-style-type: none"> • Treasury Management • Pension Fund Management • Financial Accounting • Service Support Teams / Management accounting • Schools Support Services • Project Support • VAT • Financial Strategy & Funding • Insurance • Internal Audit • Accounts Payable • Accounts Receivable • Purchase Order Processing
<p>Procurement:</p> <ul style="list-style-type: none"> • Category Management: Adult Social Care • Category Management: Children's Services • Category Management: Other Services (including Corporate, Property, Highways and Environment) • Commercial Insight Analysts / Performance & Programme Office • Supplier Relationship Management • Procurement Improvement 	<p>Procurement:</p> <ul style="list-style-type: none"> • Category Management: Children's Services • Category Management: Other Services (including Corporate, Property, Highways and Environment) • SAP P2P Workstream owner • Projects, systems & process development
<p>Transactional Services – currently known as SE Shared Service</p> <ul style="list-style-type: none"> • Pension Administration • Payroll • Employee Services • OM / Workforce Information • Recruitment Administration • Training Administration • Accounts Payable • Accounts Receivable & Income collection • Purchasing • Helpdesk Projects / Process / Programme Management 	

Surrey County Council	East Sussex County Council
Legal services	Legal services

Appendix 2

Roles and Responsibilities: Programme Governance of the SEBS Programme

Programme Board

Chair: Julie Fisher and Kevin Foster

Members: Ann Charlton (monitoring officer SCC)
Philip Baker (monitoring officer ESCC)
Senior customer: Ian Boast (SCC)
Senior customer: Fiona Wright (ESCC)

Direct reports: Tony Summers

Board functions: The SEBS Programme board is responsible for delivering the vision and the objectives of the partnership. It will be chaired by the Programme Directors, who will be responsible for ensuring that the programme is adequately resourced and managed and that regular reporting to the Partnership Oversight Board and to the Chief Executives. The Programme Manager will report progress to the board and will highlight any concerns in terms of progress or resources against the timeline.

Regularity of meeting: Once a month

Alternative Service Delivery Models - High Level Review of Options for Brighton and Hove City Council Central Services

1. Executive Summary

Introduction

The scale of the budget challenge facing the council is well understood. Central services need to deliver savings whilst also supporting effective change in the organisation. The current model is unsustainable in this context and there is significant strain on some essential support services. Put simply, there is a need to explore new strategic choices as well as finding more effective and efficient ways of working.

This high level review considers the options for developing central services provided by Brighton and Hove City Council (BHCC).

Services considered by this review

The services considered by this review were selected because of their potential for being successfully delivered via a range of operational models. They comprise:

- most of the services provided by the Finance and Resources Directorate including finance, ICT, HR and property but excluding revenues and benefits
- legal and democratic services
- policy

Review of services

The key strengths of these services are public sector expertise, local knowledge and networks and benchmarking data suggests reasonable VFM. However, the services are struggling to find the way forward against the backdrop of Local Authority funding pressures. Generally, their preferred route is in-house improvement and increased trading to other public services. This is likely to be challenging because:

- these services are operating in a nature and highly competitive market sector; and
- officers need to strengthen their business culture and skills and have insufficient knowledge of, or exposure to good practice.

The net revenue budget for these services is circa £22 million, but the opportunity for cost savings are relatively limited at perhaps 5 to 10%. There is some opportunity to grow income of perhaps up to 5%. This suggests that there is a potential for a net

saving of circa £2m. This review recommends that the Council sets a target for any future business case assessments.

In the short-term, these services need to develop a more robust corporate internal trading model. This will enable the Council to understand how central services provide support to the whole organisation, which will both enable any savings to be made internally and also underpin the information requirements for any shared service model.

Models for delivery of central services

This review considered a range of options within four broad models:

- keeping services in-house;
- a public-private partnership e.g. outsourcing to the private sector or through a joint venture;
- a public-public partnership e.g. contract with a public sector provider or through a shared services with a public sector partner; and
- a public social vehicle e.g. social enterprise, mutual or co-operative.

A set of high level objectives summarising what BHCC wants to achieve from this high level review were agreed:

- Efficiency - to maximize cost efficiency with the potential to reduce delivery costs and enhance trading opportunities;
- Modernisation - to deliver high quality , flexible services with better capacity to manage change;
- Customer Focus - the potential to improve relationships with customers by transforming the delivery of customers business;
- Strategic Fit - the potential to maximise job opportunities for employees and the city; to strengthen collaborative public service delivery for Greater Brighton and Hove ; to support the delivery of the council/ city agenda;
- Pace and Resilience - the potential for timely implementation , rapid delivery of benefits , to create resilience and manage risk through collaboration with key partners.

Potential deliver models were assessed against these objectives.

The model with the potential to meet most/all of the Council's objectives is a shared service arrangement i.e. a public-public partnership, that includes some or most of the services included within this review. This is because a shared service arrangement:

- would build on the council's existing network of public service relationships and intention to strengthen place leadership;
- would keep services local;
- is low risk compared to other models, can be implemented quickly with low set up costs;
- could deliver an estimated 15% savings over a four year period; and
- would maximise opportunities for staff and open up new trading opportunities.

During the course of this review, the Council has been given the opportunity to join the emerging shared services model being developed by East Sussex and Surrey County Councils. It is recommended that the BHCC explores this opportunity.

Suggested next steps and recommendations

- The Council should establish a target for expected savings from any restructuring.
- In the short-term, these services need to develop a more robust corporate internal trading model.
- The Council should consider the options for developing a shared service arrangement for some or all of the services included within this review. This should include consideration of whether to join the emerging shared services model being developed by East Sussex and Surrey County Councils.
- A lead officer will be needed to take this work forward. This could be a short term and full time role, and requires someone with strong commercial skills.

Subject:	Treasury Management Policy Statement 2015/16		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources		
Contact Officer:	Name:	James Hengeveld	Tel: 29-1242
	Email:	james.hengeveld@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 Part 1 of the Local Government Act 2003, which introduced a new capital finance system with effect from April 2004, requires each local authority, inter alia, to:
- comply with the requirements of 'the Code of Practice for Treasury Management in the Public Services' issued by CIPFA; and
 - comply with investment guidance issued by the Secretary of State
- 1.2 The Code of Practice requires each local authority to set out its strategy on treasury management for the forthcoming year. The purpose of this report is to recommend a treasury management policy statement (TMPS) and treasury management practices for the financial year commencing 1 April 2015.
- 1.3 At the meeting in March 2014 Policy and Resources Committee approved the Treasury Management Statement and Treasury Management Practices for 2014/15 and subsequent years. There are no changes recommended to the Statement or Practices.
- 1.4 The investment guidance relates to the annual investment strategy, which is subject to a separate report to Policy & Resources Committee and full Council elsewhere on this agenda.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee note that there are no changes to the Treasury Management Policy Statement and Treasury Management Practices approved by Policy & Resources Committee on 20 March 2014.
- 2.2 That Policy & Resources approve the Borrowing Strategy as set out in Appendix 3 to this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The recommended TMPS follows the drafting format within the Code of Practice. The treasury management practices identify the practices and procedures that

will be followed to achieve the aims of the Statement. These practices remain unchanged from previous years and are considered 'best practice' under the Code.

- 3.2 The treasury management practices are supplemented by a number of "schedules" which have not been reproduced in Appendix 1 as they have not changed in a number of years. These schedules contain specific details of the systems and routines to be employed and the records to be maintained which underpin the treasury management function.
- 3.3 The Borrowing Strategy is largely determined by the borrowing needs of the council and forecasts of future interest rates. An up-to-date economic analysis and the latest interest rate forecasts are presented in Appendix 2 to this report.
- 3.4 The Borrowing Strategy, as set out in Appendix 3, focuses on reconciling the need for new long-term funding with interest rate forecasts and the loss of investment income. The Strategy recommends that short term funding requirements continue to be met by using internal reserves supplemented by short-term and variable rate borrowing. In addition, that some new long term forward rate borrowing is undertaken to reduce the reliance on reserves.
- 3.5 The treasury management service is subject to detailed audit each year. The most recent audit in February 2015 concluded that "substantial assurance" is given to the control environment operating and management of risks for Treasury Management. Appendix 4 sets out the current scheme of delegation.
- 3.6 Under the Prudential Code a number of prudential indicators must be set annually by the council prior to the commencement of the financial year. The indicators for 2015/16 were agreed by Budget Council on 3 March 2015.
- 3.7 HRA housing debt and General Fund debt are managed as separate debt pools. The underlying principles of the 2015/16 Strategy are the same for both debt pools. However, where appropriate, the Strategy is amended where the management of each debt pool requires a different approach.

Training & Qualifications

- 3.8 External training courses for the treasury management team will be considered for value and benefit. Records of individual training will be kept in accordance with the procedures introduced by the council for such purposes. Career development and succession arrangements will also be in accordance with council policy on such arrangement.
- 3.9 Details of the qualifications for treasury staff are set out in the job descriptions and person specifications appertaining to each post. Secondments (if any) will be recorded in accordance with council policy on such instances.
- 3.10 Member training on treasury management is seen as an important tool in the scrutiny of the service. A course entitled "An introduction to treasury management", which gives an overview of treasury management, is available. The course explains what treasury management is, the aims & objectives of the

service and an understanding of the key risks. It also covers how the council manages investment risk.

Use of Advisors

- 3.11 The council uses an external cash manager to administer part of its investment portfolio. The manager is able to use specialist markets with the aim to achieve higher investment returns. The current manager, Scottish Widows Investment Partnership, was appointed in March 2006 following a competitive selection process.
- 3.12 The council uses Capita Asset Services as its treasury advisors. The advisors are expected to be proactive in analysing information to assist the in-house treasury team to meet its targets on the cost of long term borrowing and investment returns and advise on developments in the treasury management field.
- 3.13 Notwithstanding the role of the advisors the council remains responsible for all decisions on treasury management

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report confirms there are no changes to the treasury management policy statement approved by Policy & Resources last year. The Strategy continues with the strong emphasis on risk management and the impact this may have on the performance of the treasury management service.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council's external treasury advisors have been consulted in the drafting of this report. No other consultation was necessary.

6. CONCLUSION

- 6.1 Treasury management is governed by a code that is recognised as "best and proper practice" under the Local Government Act 2003. The code requires local authorities to report annually in advance on their treasury management plan and strategy. This report fulfils this requirement.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Financial Implications are in the main body of the report.

Finance Officer Consulted: James Hengeveld

Date: 16/02/15

Legal Implications:

- 7.2 *This report is made in accordance with Part 1 of the Local Government Act 2003. The statutory framework for the Prudential Code referred to in paragraph 3.6 is*

regulation 2 of the Local Authority (Capital Finance & Accounting) Regulations 2003.

It is a proper function of Policy & Resources Committee to approve the council's TMPS and Borrowing Strategy.

Lawyer Consulted:

Elizabeth Culbert

Date:02/03/15

Equalities, Sustainability Implications and other significant implications

7.3 There are no direct implications arising from this report

SUPPORTING DOCUMENTATION

Appendices:

1. Treasury Management Policy Statement 2015/16 and Treasury Management Practices 2015/16
2. Economic Outlook and Interest Rate prospects
3. Borrowing Strategy and Indicators 2015/16
4. Treasury Management Scheme of Delegation

Documents in Members' Rooms

None

Background Documents

1. Part I of the Local Government Act 2003 and associated regulations
2. Treasury Management in the Public Services – Code of Practice and Cross-Sectoral Guidance Notes' published by CIPFA third edition 2011
3. 'Treasury Management in the Public Services – Guidance notes for local authorities ... ' published by CIPFA fourth edition 2011
4. 'The Prudential Code for Capital Finance in Local Authorities' published by CIPFA third edition 2011
5. Brighton & Hove City Council Anti-Money Laundering Policy approved by full Council on 19 January 2006

Brighton & Hove City Council
Treasury Management Policy Statement 2015/16

There are no changes to the *Treasury Management Policy Statement 2014/15 and subsequent years* approved by Cabinet in March 2014.

Brighton & Hove City Council
Treasury Management Practices ('TMPs') 2015/16
and subsequent years

The council's treasury management practices identify the practices and procedures that will be followed to achieve the aims of the Treasury Management Policy Statement.

There are no changes to the *Treasury Management Practices 2014/15 and subsequent years* approved by Cabinet in March 2014.

Brighton & Hove City Council
Economic Overview and Interest Rate prospect 2015/16

ECONOMIC OVERVIEW (Source – Capita Asset Services, February 2015)

UK GDP growth surged during 2013 and the first half of 2014, but growth slowed towards the end of 2014. There are good grounds for optimism that growth will pick back up again in 2015 as the positive effects from the fall in the price of oil feeds through to consumers and other parts of the economy. The Monetary Policy Committee maintained its GDP forecast for 2015 at 2.9% in its February meeting, but revised its forecasts for 2016 and 2017 to 2.7% and 2.7% respectively. The main source of the upward revision came from higher consumption growth.

CPI inflation has fallen to a record low of 0.30% in January 2015. There is a real possibility that CPI inflation could turn negative for a short period around midyear 2015. This is expected to be a temporary blip until the fall of the price of oil drops out of the calculation; this will help improve consumer disposable income and so underpin economic growth during 2015. However, this may make it difficult for the MPC to raise the Bank Rate as early as previous expectations, and as such, our treasury advisors have pushed back their forecast of an increase in bank rate to Q1, 2016. Other issues, such as a successful resolution for Greece and the Eurozone, will impact on the actual timing of an official rate rise.

INTEREST RATE PROSPECTS

A forecast of interest rates over the medium term is set out in Table A below.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: The newly elected anti austerity party, Syriza is making a strong push to renegotiate the austerity programme and debt repayments with its creditors. Whilst the Eurozone has put sufficient firewalls in place in the event of a Greek departure from Europe, there is a concern that there may be a strengthened support for anti austerity political parties in the EU, particularly Portugal and Spain, who have general elections coming up in late 2015.
- As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away, and are arguably merely postponed. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;

- Investment returns are likely to remain relatively low during 2015/16 and beyond; Capita Asset Services have provided average investment return (Table A), which have been reflected in the 2015/16 budget and the Medium Term Financial Strategy.
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. Borrowing rates have reached historical lows at the end of 2014 and early 2015 as a result of the dramatic fall in inflation, plummeting oil prices, and the flight to safe havens arising from tensions in the Middle East and the Ukraine. Borrowing rates are expected to remain volatile in 2015, which will be impacted by how long it takes to decide what will happen in Greece and other factors that will impinge on market and investor sentiment. There are also potential risks around UK EU membership which could also affect investor sentiment towards the UK and towards gilts as an investment which could lead to a jump in gilt yields, and therefore PWLB borrowing rates.
- The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years, but officers are now actively seeking appropriate borrowing opportunities in order to take advantage of the historically low rates at a time where rises in borrowing rates are expected.
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns. Minimising cost of carry remains a prime focus for officers, and the current Borrowing Strategy (Appendix 3) recommends using forward rate borrowing to address this.

Table A – Interest Rate forecasts April 2015 to March 2018 (annual averages)

	Bank Rate	Returns on Investments	Long-term borrowing rates		
			5 year	25 year	50 year
2015/16	0.56%	0.60%	2.28%	3.53%	3.53%
2016/17	1.00%	1.10%	2.78%	4.10%	4.10%
2017/18	1.56%	1.75%	3.25%	4.53%	4.53%

(Source – Capital Asset Services: Interest Rate Forecast, February 2015)

Borrowing Strategy and Indicators 2015/16

The capital expenditure plans of the council are set out in the Capital Programme Report approved by Policy & Resources Committee on 12 February 2015 and full Council on 3 March 2015. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes so that sufficient cash is available to meet the capital expenditure plans. This involves both the organisation of the cash flow and where required, the organisation of appropriate borrowing facilities.

As a response to the current economic climate, the Council has been following a strategy of repaying debt and funding its borrowing requirement through utilising cash balances which were supporting the Council's reserves and balances. This is a prudent strategy which has allowed the council to minimise the cost of carry on its borrowing, and reduce its counterparty exposure risk. However, this strategy cannot continue indefinitely as the reserves and balances will be gradually spent and the opportunity to borrow long term at historically low rates is declining. It will therefore be necessary to undertake new long term borrowing to bring down the level of council under-borrowing.

Opportunities have arisen in the financial markets for the council to enter into forward borrowing agreements where the council agrees to enter into a borrowing arrangement at a specified rate at a future date. Forward rate loans provide certainty over future costs whilst avoiding the cost of carry in the short term at a time when investment returns are still historically low. The budget shown in the medium term financial strategy has been prepared on the basis that £5m per year new forward rate long term borrowing is entered into in the four years from 2016/17 to 2019/20. This will gradually reduce the council's under-borrowing position, providing cash to underpin the planned spending of reserves within the Medium Term Financial Strategy. Interest rate forecasts will be closely monitored by Officers and the Treasury Advisors to ensure new borrowing is undertaken using the most appropriate instruments and at the time where market conditions are appropriate.

Table 1 below shows the net borrowing requirement (i.e. after allowing for provision to repay debt) and the level of reserves that is funding the borrowing requirement (under borrowing) over the next three years. The table demonstrates that the Council is currently funding its borrowing requirement with approximately £66.0m of reserves and balances and cashflows but this figure will decline in subsequent years. The 2015/16 budget uses certain reserves to meet one off costs, and this will reduce the availability of cash backed resources to fund the borrowing requirement increasing the need to borrow externally to ensure the availability of cash to meet these commitments. The 2015/16 budget includes a provision to enter into short term borrowing to fund this requirement until the first phase of new long term borrowing commences in 2016/17.

Table 1 – Projected borrowing requirement (excluding PFIs and other long term liabilities) and under borrowing position

	2014/15	2015/16	2016/17	2017/18
<u>General Fund</u>				
Borrowing Requirement - start of the year	160.1m	155.4m	152.1m	149.7m
Increase in borrowing requirement	5.9m	5.9m	6.9m	0.9m
Provision to repay debt	(10.6m)	(9.2m)	(9.3m)	(9.7m)

Borrowing Requirement - end of the year	155.4m	152.1m	149.7m	140.9m
Actual Borrowing	89.4m	98.4m	103.4m	109.4m
Under/(over) borrowing position	66.0m	53.7m	46.3m	31.5m
<u>Housing Revenue Account</u>				
Borrowing Requirement - start of the year	118.5m	116.6m	127.4m	136.7m
Increase in borrowing requirement	2.0m	13.8m	12.3m	1.9m
Provision to repay debt	(3.9m)	(3.0m)	(3.0m)	(0.5m)
Borrowing Requirement - end of the year	116.6m	127.4m	136.7m	138.1m
Actual Borrowing	116.6m	127.4m	136.7m	138.1m
Under/(over) borrowing position	(0.0m)	(0.0m)	(0.0m)	(0.0m)

Interest rate risk

The under borrowing position illustrated in Table 1 above demonstrates the extent to which the council is exposed to interest rate risk. As Appendix 2 outlines, borrowing rates have been historically low, and expected to rise in the medium term. Officers consider it prudent to amend the borrowing strategy and to consider forward rate borrowing in order to lock into low rates whilst minimising the cost of carry.

Officers will monitor market interest rates and adopt a pragmatic approach to changing circumstances in order to minimise the financial impact any adverse movement on interest rates on the Council's debt and investment portfolios;

- Long term borrowing will be postponed where it was felt there was a significant risk of a sharp fall in long term interest rates
- The borrowing position will be re-appraised and considered where it was felt that there was a significant risk of a sharp rise in long term interest rates with the likely action that new long term borrowing will be raised whilst interest rates are expected to be lower than in subsequent years.

Consideration will be given to the following borrowing options, which will be assessed appraised to seek the most appropriate option at the time:

- Short term borrowing (i.e. repayable for less than a year)
- PWLB variable rate loans for up to 10 years
- PWLB fixed rate loans up to 50 years
- Market loans that offer comparable or better terms to that set out above

The length and type of borrowing will depend upon factors including prevailing interest rates, interest rate expectations and the maturity profile of the council's existing portfolio.

Policy on Borrowing in advance of need

With long term fixed interest rates at risk of being higher over the next few years (see Table A, Appendix 2) Officers will consider the borrowing in advance of need. Any decision to borrow in advance will be within the forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the Treasury Management reporting process.

Debt Rescheduling

Table 2 shows the level of maturing debt over the next three years. The council has a number of loans where the lender may vary the interest rate, after which the council would have the right to repay. Based on the latest interest rate projections (Table A, Appendix 2), it is considered very unlikely that these loans would be repaid early – however, debt that is repaid early will have implications on both the GF and HRA debt portfolios.

	2015/16	2016/17	2017/18
Maturing Debt	£3.0m	£3.0m	£1.0m
Debt subject to early repayment options	£50.0m	£20.0m	£5.0m
Total debt at risk of maturity	£53.0m	£23.0m	£6.0m

Borrowing prudential Indicators

These indicators were approved as part of the budget report at full Council on 26 February 2015.

Limits to borrow activity

Prudential Indicators D1, D2 and D3 were approved as part of the Budget Report at full Council on 26 February 2015. These indicators set the limits of external borrowing

The operational boundary is the point at which external debt is not expected to be exceeded. The Authorised Limits is a control on the maximum level of borrowing, defined as the statutory limit under Section 3 (1) of the Local Government Act 2003. External debt is prohibited beyond the Authorised Limit and any revision to the limit would need approval by full Council.

Prudential indicators (D1) “Authorised limit” and (D2) “Operational boundary” 2015/16 to 2017/18

	2015/16 Estimate		2016/17 Estimate		2017/18 Estimate	
<u>Authorised limit</u>						
- Borrowing	£308m		£321m		£366m	
- Other I/term liabilities	£57m	£365m	£55m	£376m	£53m	£419m
<u>Operational boundary</u>						
- Borrowing	£319m		£332m		£377m	
- Other I/term liabilities	£57m	£376m	£55m	£387m	£53m	£430m

Separately, the Council is also limited to a maximum HRA CFR through the HRA self financing regime. This limit is currently:

Prudential indicators (D3) HRA Limit on indebtedness 2015/16 to 2017/18

	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
HRA limit on indebtedness	£156.8m	£156.8m	£156.8m
HRA Debt	£126.6m	£136.0m	£137.3m
Headroom	£30.2m	£20.8m	£19.5m

Treasury management limits on activity

Prudential Indicators E2, E2a and E3 below are intended to manage the risk of adverse movement in interest rates and risk associated with refinancing maturing debt.

Prudential indicator (E2) – Upper limits on net debt interest rate exposure 2015/16 to 2017/18

	2015/16	2016/17	2017/18
Upper limit on fixed interest rate exposure	112%	111%	119%
Upper limit on variable interest rate exposure	45%	45%	45%

The percentages in Indicator E2 are calculated on the net outstanding principal sums (i.e. net of investments). The upper limit of 112% is a consequence of the council maintaining an investment portfolio. Indicator E2a exemplifies the indicator over borrowing and investment.

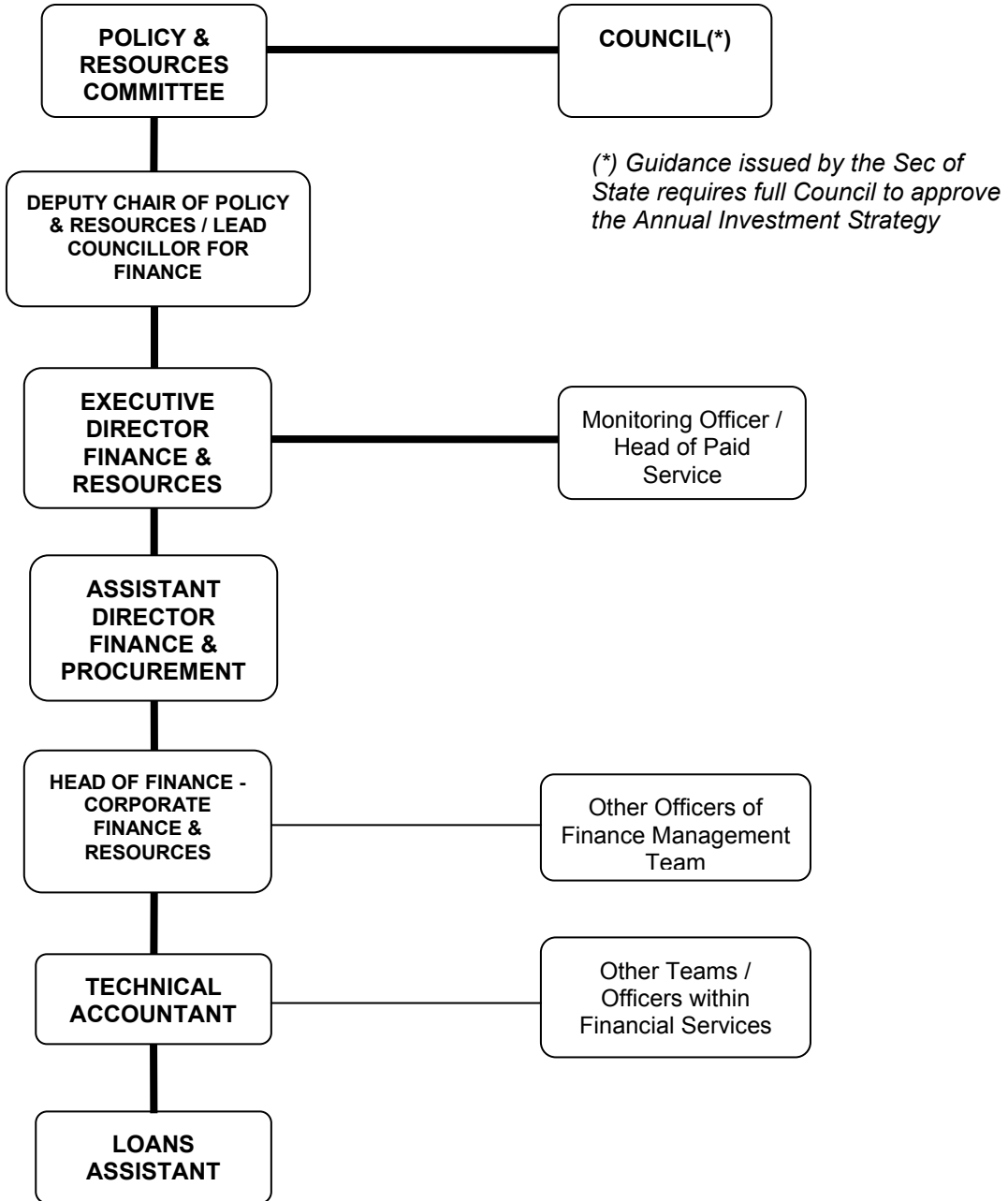
Prudential indicator (E2a) (supplemental) – Upper limits on interest rate exposure 2015/16 to 2017/18

	2015/16	2016/17	2017/18
Upper limit on borrowing – fixed rate exposure	100%	100%	100%
Upper limit on borrowing – variable rate exposure	40%	40%	40%
Upper limit on investments – fixed rate exposure	100%	100%	100%
Upper limit on investments – variable rate exposure	100%	100%	100%

Prudential indicator (E3) – Upper and lower limits on the maturity structure of borrowing 2015/16

	Upper limit	Lower limit
under 12 months	40%	0%
12 months and within 24 months	40%	0%
24 months and within 5 years	50%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	40%

Brighton & Hove City Council
Treasury Management Organisational Chart



() Guidance issued by the Sec of State requires full Council to approve the Annual Investment Strategy*

The delegation of authority to make executive decisions on, and keep records of, treasury management activity is denoted by the bold line

Subject:	Pay Policy Statement 2015/16		
Date of Meeting:	19 March 2015 – Policy & Resources Committee 26 March 2015 – Council		
Report of:	Interim Executive Director for Finance & Resources		
Contact Officer:	Name:	Matt Naish	Tel: 29-5088
	Email:	matt.naish@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Localism Act 2011 requires local authorities to produce a pay policy statement to be approved by Council annually before the start of the financial year to which it relates. The aim is to increase accountability, transparency and fairness in the setting of local pay. These statements must set out the council's policies on a range of issues relating to the pay of its workforce, particularly its senior and lowest paid staff. The provisions in the Act do not seek to determine what decisions on pay should be taken or what policies should be in place, but require councils to be more open about their policies and how decisions are made
- 1.2 This report seeks approval of the Policy & Resources Committee to recommend to Council the attached pay policy statement for adoption from 1st April 2015.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee recommends to Council the adoption of the pay policy statement 2015/16 attached at Appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Localism Act 2011 requires local authorities to produce annual pay policy statements prior to the year to which they relate. Attached at Appendix 1 is the Council's fourth such statement. The council may amend its statement by resolution of Council if required during the year to which it relates. Schools' staff fall outside the scope of this legislation. Individual governing bodies are responsible for setting and updating their own Schools' Pay Policy each year.
- 3.2 Chief officers, for the purpose of this legislation, are those who report to the Chief Executive and those who report to posts reporting to the Chief Executive i.e. deputy chief officers.
- 3.3 The statement must provide a definition of lowest-paid employees adopted by the council for the purposes of the statement and it must include the council's

policies relating to the remuneration of chief officers, payments to chief officers on leaving and the publication of information on the remuneration of chief officers.

- 3.4 The Department for Communities and Local Government guidance, 'Openness and Accountability in Local Pay', states that Members should be offered the opportunity to vote before large salary packages are offered in respect of a new appointment. The Secretary of State considers the appropriate threshold to be £100,000. The 2015/16 statement continues the arrangements established for the 2013/2014 Statement which placed responsibility for advising on remuneration for such posts with the Appointments and Remuneration Panel.
- 3.5 Supplementary Guidance published in February 2013 recommends greater scrutiny and accountability for decisions made to offer large severance packages. Again the recommended threshold for Member involvement is set at £100,000 and states that all components of such packages e.g. pay in lieu of salary, redundancy payments, pension entitlements, holiday pay and any other fees or allowances are clearly set out. The attached pay policy statement provides that decisions in relation to permanent recruitment or compensation payments above the £100,000 threshold will be referred to the Appointments and Remuneration Panel for consideration and recommendation to the Chief Executive. All other severance packages are considered and agreed by an officer compensation panel comprising the Head of Human Resources, the Monitoring Officer and the s151 Officer (or their delegates). The council's external auditors are also consulted about the value for money of any potential offers to Chief Officers.
- 3.6 The Act does not require specific numerical data on pay and reward to be published as part of a council's pay policy statement. However, the guidance suggests that consideration be given to how the pay policy statement fits with data on pay and reward that councils are already required to publish on their websites, under the Local Government Transparency Code and by the Accounts and Audit (England) Regulations 2011. The data that is published is published in accessible formats according to the guidance contained in the aforementioned publications
- 3.7 The council also publishes pay data annually in accordance with the Local Government Transparency Code. The majority of this information is published as soon as possible after the start of the financial year, however information required to be published in conjunction with the Accounts and Audit (England) Regulations 2011 is published in June each year in an unaudited format and then the fully audited accounts are published in September each year.
- 3.8 The Act requires authorities to explain what they think the relationship should be between the remuneration of its chief officers and its employees who are not chief officers. The pay multiple is calculated using the median pay of all employees within the scope of the Pay Policy Statement as a multiple of the Chief Executive's salary. This method is in line with the Hutton report on Fair Pay, which is referred to in the 'Openness and Accountability in Local Pay' guidance. Last year the pay multiple was 6.1:1. This is recalculated at the end of the financial year and published on the council's website as part of our pay data. The pay multiple is calculated using the definition contained in the Local

Government Transparency Code i.e. the ratio between the highest paid employee and the median salary of the whole of the authority's workforce (excluding school staff).

- 3.9 The salary package for the Chief Executive remained the same in the past year. The Living Wage for council employees will increase from £7.65 to £7.85 per hour with effect from 1st April 2015.
- 3.10 The pay policy statement provides links to our existing policies on redundancy, retirement and other compensation payments. These policies set out who is responsible for decisions on such payments. It is the council's policy that employees who accept a financial package on voluntary termination of their employment with the council are not re-employed or engaged as a self employed contractor or through an agency for a minimum period of two years.
- 3.11 The pay policy statement excludes all schools based staff including Headteachers.
- 3.12 The pay policy statement, when published on our website, will contain hyperlinks to related information.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Pay Policy Statement is a statutory publication and we are therefore obliged to publish it. Consideration has been given to the levels of transparency contained within the report, but the conclusion reached is that the detail is in compliance with guidance issued on this subject.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The purpose of this pay policy statement is to provide transparency on how local decisions on pay are made

6. CONCLUSION

- 6.1 It is a requirement of the Localism Act 2011 that Members are consulted prior to the publication of the Pay Policy Statement. It is therefore recommended that Policy and Resources Committee approve this report and make the recommendation to members to approve the Pay Policy Statement 2015/16.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The annual pay policy statement supports good governance and allows benchmarking comparisons with other local authorities to assess Value for Money. The pay assumptions within the budget for 2015/16 are consistent with this policy including provision for the Living Wage to increase to £7.85 per hour from 1st April 2015.

Finance Officer Consulted: James Hengeveld

Date: 10/02/15

Legal Implications:

- The proposed Pay Policy Statement complies with the requirements of s38 Localism Act 2011 and has taken into account associated guidance. The proposed Statement is also consistent with existing Data Protection and Employment legislation. As set out in the report, it is a requirement of the
- 7.2 Localism Act that the Pay Policy Statement is approved by Full Council

Lawyer Consulted: Elizabeth Culbert

Date: 22/12/14

Equalities Implications:

- 7.3 The publication of a pay policy statement increases transparency over pay and promotes fairness.

Sustainability Implications:

- 7.4 None

Any Other Significant Implications:

- 7.5 The pay policy statement provides local taxpayers with information on how the council makes local decisions on pay and thus provides greater openness and transparency to assist the public to assess value for money

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1 Pay Policy Statement 2015/16

Documents in Members' Rooms

None

Background Documents

1. The Localism Act 2011
2. Openness and accountability in local pay: Guidance under section 40 of the Localism Act
3. Openness and accountability in local pay: Guidance under section 40 of the Localism Act Supplementary Guidance February 2013
4. Code of Recommended Practice for Local Authorities on Data Transparency
5. Hutton Review of Fair Pay in the Public Sector 2011

Brighton & Hove City Council Pay Policy Statement 2015/16

1 Aim

Brighton & Hove City Council wants to ensure that the City and its residents receive high quality services and excellent value for money. In the context of the significant budget challenges that the council faces, pay levels need to be set at a level that will enable the council to attract and retain high calibre individuals without being overly generous or imprudent with public funds.

To achieve this, the council requires a workforce at all levels that is conscientious, professional and reliable and which has the relevant up-to-date skills and knowledge to deliver high quality services to the residents of and visitors to Brighton and Hove.

The council depends on a high calibre senior management team able to provide leadership and to work in close partnership with other private, public and voluntary agencies across the City. The senior team need to work with partners to assess and understand the level of need across the City and to commission and deliver services. At the same time they need to be able to lead change programmes and reduce costs to deliver better outcomes for customers. An innovative, skilled and experienced workforce is vital to the delivery of our vision and this is at the heart of our pay policy. This principle applies from the lowest to highest paid employee.

Whilst recognising the market rates for pay, the council seeks to ensure that pay policies are based on fairness and equality and allow the workforce to live healthy and happy lives. The council has introduced the national 'Living Wage' and is working to reduce the pay gap between the highest and the lowest paid. The pay multiple between the Chief Executive and the median earnings of the rest of the workforce will be published annually on the council's website.

2 Scope

This document complies with our statutory responsibility to produce a pay policy statement annually pursuant to s38(1) of the Localism Act 2011. This policy statement requires approval by full council. The council wishes to ensure that local taxpayers are able to take an informed view on all aspects of the council's remuneration arrangements and the pay policy statement will be published on the council's website.

The statement applies to all employees of the council and 'casual workers', except for those staff based in schools and apprentices throughout the council.

3 Definitions

For the purposes of the pay policy statement the following definitions will apply:

- Brighton & Hove City Council defines its lowest paid employees as those who are paid on the lowest spinal column point of our [grading structure](#). This is the national 'Living Wage' and is applied to casual workers as well as employees. A full time post is based on a 37 hour week.

- Chief Officers are defined as those who report directly to the Chief Executive. In Brighton & Hove these are currently the members of the Executive Leadership Team. Those who report to the Executive Leadership Team, for the purpose of this policy statement, are also defined as Chief Officers.

Senior Structure

For the purposes of this pay policy statement the Executive Leadership Team comprises the following posts; Chief Executive, Executive Director of Children's Services (DCS), Executive Director of Adult Social Services (DASS), Executive Director of Environment, Development & Housing, Executive Director Finance and Resources, Head of Law and Monitoring Officer, Assistant Chief Executive and Director of Public Health.

The Corporate Management Team comprises members of the Executive Leadership Team and Heads of each Service ([Link to structure chart](#)).

National Pay and Conditions

There are a number of national agreements produced through collective bargaining arrangements for different groups of local government staff. The main negotiating bodies relevant to our workforce and their scope are listed below. Brighton & Hove City Council operates these national conditions as amended by local agreements.

The National Joint Council (NJC) for Local Government Services negotiates collective agreements on pay and conditions for local authority employees who are not covered by other specialist negotiating bodies (e.g. teachers).

The Joint Negotiating Committee for Chief Officers of Local Authorities (JNC) covers the pay and conditions for Chief Officers.

The Soulbury Committee negotiates the pay and conditions for advisory staff in local education authorities (LEAs), such as: educational improvement professionals (previously advisers and inspectors) and educational psychologists.

The Joint Negotiating Committee for Youth and Community Workers covers the pay and conditions of youth and community workers.

4 Governance

The Policy & Resources Committee is responsible for setting policy on pay and conditions of employment within Brighton & Hove City Council. The council has adopted the National Joint Council terms and conditions for local authority staff as amended locally. Chief Officers, including the Chief Executive, are similarly mainly employed on nationally negotiated JNC terms and conditions but their pay is determined locally. A minority of Chief Officers are employed on NJC terms and conditions, but similarly their pay is determined locally.

The relevant sub-committee, committee or the Chief Executive approves the appointment of staff in accordance with the Officer Employment Procedure Rules. "The

Council's Appointments and Remuneration Panel is responsible for advising on the remuneration applicable to;

- a) the permanent appointment of Executive Directors,
- b) any proposal to offer a permanent appointment with a salary package of £100,000 or more.

The Appointments and Remuneration Panel may also be consulted for its views in connection with the statement of pay policy. ([Link to Constitution](#)). The policy in respect of the remuneration of interims and consultants is set out under paragraph 19 below.

5 Grading Structure

The council uses a recognised, analytical job evaluation scheme to ensure that there is an objective process for determining the relative size of jobs and thus allocating jobs to the appropriate grade. This is used for all posts, apart from those of the Chief Executive and Executive Directors and staff employed on Soulbury and Youth Worker conditions of service. Our current pay and grading structure was implemented during 2010.

6 Progression

All posts, apart from that of the Chief Executive and the Executive Directors are employed on grades containing spinal column points. Employees progress through their grade each year, rising by one incremental point, until reaching the maximum point of the grade. Pay awards for NJC and JNC staff are negotiated nationally. ([NJC and JNC grades](#)) Where a member of staff is the subject of formal disciplinary and capability processes, increments may be withheld.

Employees may be accelerated up the pay grade by a maximum of two spinal column points to recognise exceptional performance. Link to [Additional Payments Policy](#).

7 Remuneration on Appointment

Staff are usually appointed on the minimum spinal column point of the grade. However, where there are difficulties recruiting to a post or where an individual can demonstrate significant valuable previous experience, appointment may be agreed at a higher spinal column point within the grade.

The Council's Appointments and Remuneration Panel is responsible for advising the Chief Executive on the appropriate starting salary for any new permanent Executive Director appointments.

8 Chief Executive

The Chief Executive's salary is set to ensure that it is competitive when compared to roles of similar size and complexity elsewhere and with regard to the challenges, additional hours and working arrangements required to achieve the requirements of the role. The salary is on a single fixed salary point. Nationally negotiated cost of living awards are applied.

The Chief Executive is entitled to receive a fee as set by the Ministry of Justice for acting as the local returning officer for elections. ([Link to actual earnings and earnings forecast for 2015/16](#))

9 Executive Directors

The pay and grading of Executive Directors is determined by the requirements of the role and by reference to the labour market for roles of a similar size and complexity. They are on a single fixed salary point. Nationally negotiated cost of living awards are applied ([Link to actual earnings and earnings forecast for 2015/16](#)).

10 Corporate Management Team (excluding Executive Directors)

As part of the change to the Council's senior management structure in 2010, the Council commissioned the 'Local Government Employers' to undertake a review of the pay structure. This was to enable the council to attract and retain suitably skilled staff. The new pay structure for these posts places the jobs at or just below the mid-market level when the salaries are compared to those paid by other similar local authorities for jobs of a similar size and complexity. Nationally negotiated cost of living awards are applied.

11 Additional Payments

In order to ensure sufficient flexibility to reward staff who are undertaking additional responsibilities the Council's policy on [Additional Payments](#) provides for Acting Up Allowances or a one-off Honorarium Payment to be made in specific circumstances.

12 Market Supplements

The Council may pay a market supplement where there are proven shortages of individuals with particular skills and experience.

13 Travel and Expenses

Where authorised to do so, employees are entitled to be reimbursed for mileage they incur whilst discharging their official duties. The rate of [reimbursement](#) will depend on the engine size of a car, other rates are applicable where motorbikes and bicycles are used for this purpose. Employees who have to use public transport to travel for their role are entitled to reclaim the costs of the transport under the council's expenses policies.

14 Working Pattern Allowances

The council introduced a new allowance scheme for those employed on NJC terms and conditions on the 01 October 2013, these allowances reward employees who work outside the council's standard working week, which is Monday to Friday between 6am to 8pm each day. Working outside of these standard times will attract an enhancement to the hourly rate. Details can be found in the in the Employee Rights & Responsibilities document.

15 Annual Leave

Annual leave entitlements vary according to the terms and conditions of employment. [Annual leave entitlements](#) are published on the Council's website.

16 Pension Scheme

Membership of the Local Government Pension Scheme is subject to the rules of the scheme and contribution rates are set by legislation ([Link to Rates on ESCC website](#)). Where individuals are already in receipt of a local government pension they are subject to the rules on abatement of pension within the scheme.

17 Redundancy, Retirement and other Compensation Payments

The council's approach to dismissals on the grounds of redundancy or efficiency of the service and in the case of early retirement can be found in the following policies on our website: [Redundancy, Retirement and other Compensation Payments policy statement](#) and [Retirement at Brighton & Hove](#).

In exceptional circumstances the council will agree to settle a claim or potential dispute upon the termination of employment by way of a compensation payment. This is agreed by an officer panel comprised of the Head of Human Resources, the Monitoring Officer and the Executive Director Finance and Resources (or their delegates). In the case of Chief Officers or in cases where the proposed payment is £100,000 or more this will be referred to the Appointments and Remuneration Panel for consideration and recommendation to the Chief Executive. The District Auditor is also consulted about any potential offers to Chief Officers.

18 Single Status

The council has met its obligations under the national joint council single status agreement. The Council now operates a single pay, grading and allowance scheme for NJC staff.

19 Remuneration of Staff – Contract for Services

Individuals employed on a contract for services will be paid at a rate consistent with the pay of directly employed staff performing a comparable role and will consider where relevant, a premium to take into account any relevant market factors. It is the council's policy to minimise the use of consultants wherever possible and the approval of the Chief Executive is required prior to any commitment to expenditure on consultants in excess of £10,000.

20 Remuneration of Staff – Publication of Information

The council publishes details of [staff earnings](#) in accordance with legal requirements on transparency. Further information is contained in the [Annual Report and Accounts](#) in accordance with the Audit of Accounts legislation.

Subject:	Annual Investment Strategy 2015-16		
Date of Meeting:	19 March 2015 – Policy & Resources 26 March 2015 - Council		
Report of:	Interim Executive Director Finance & Resources		
Contact Officer:	Name:	James Hengeveld	Tel: 29-1242
	Email:	james.hengeveld@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Local Government Act 2003 introduced a prudential capital finance system whereby levels of borrowing and investments are decided locally by each council.
- 1.2 Guidance issued under the Act requires a local authority to approve an annual investment strategy which gives priority to security and liquidity and requires the council to set out:
- its policy on determining the credit-worthiness of its investment counterparties and the frequency at which such determinations are monitored;
 - its policy on holding investment instruments other than deposits held in financial institutions or government bodies;
 - its policy on determining the maximum periods for which funds may be invested;
 - its policy on the minimum level of investments to be held at any one time.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee recommend to full Council the approval of the Annual Investment Strategy 2015/16 as set out in Appendix 1 to this report.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Annual Investment Strategy (AIS) for 2015/16 is set out in Appendix 1 to this report and covers investments made by the in-house treasury team and the council's external cash manager. The council uses a cash manager to take advantage of investment opportunities in specialist markets not covered by the in-house team, such as government stock. The AIS gives priority to security and liquidity.
- 3.2 Security is achieved by;

- selecting only those institutions that meet stringent credit rating criteria or, in the case of non-rated UK building societies, have a substantial asset base, and
 - having limits on the amount invested with any one institution.
- 3.3 The council uses independent credit rating agencies to assess the creditworthiness of investment counterparties. Aside from specific exemptions (as set out in 1.3.3 of Appendix 1), the AIS 2015/16 continues with the policy of assessing creditworthiness by applying the lowest rating issued by the three main rating agencies – Fitch, Moody’s and Standard & Poor’s. In the majority of cases the ratings issued by the three agencies are aligned but this is not always the case.
- 3.4 Rating criteria is only one factor taken into account in determining investment counterparties. Other factors, such as articles in the financial press, will continue to be monitored and action will be taken where it is felt the risk attached to a particular counterparty has or is likely to worsen. Action will include the temporary suspension of a counterparty in appropriate circumstances.
- 3.5 Liquidity is achieved by limiting the maximum period for investment and matching investment periods to cash flow requirements.

Changes to the Annual Investment Strategy 2015/16

- 3.6 The main ratings agencies (Fitch, Moody’s, Standard & Poor’s) had provided many financial institutions with a ratings “uplift” during the financial crisis due to the implied levels of sovereign support (i.e. the probability that the government would step-in in the event of a banking failure) . More recently, in response to the evolving regulatory regime, the agencies have indicated that they may remove these “uplifts”, which may result in the downgrading of some of the major UK banks.
- 3.7 It is important to note that these ratings agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.
- 3.8 The prevailing credit methodology within the AIS uses the lowest rating issued by the three ratings agencies to determine the maximum lending period and exposure limits for each counterparty. Following advice of our Treasury Advisors, and in response to the imminent downgrading of some major UK banks, the 2015/16 AIS removes this requirement for a specified list of UK Banks (see paragraph 1.3.3 of Appendix 1), and instead allows the highest rating to be applied. This ensures that the council is able to maintain sufficient capacity within it’s investment portfolio in the event that one or two credit ratings agencies downgrade these institutions.

- 3.9 The provisions of the AIS also requires officers to undertake a review of a counterparty in the event of a significant deterioration of it's credit rating. Consequently, any further revision to the credit ratings of any of the institutions listed in 1.3.3 of Appendix 1 which is not as a result of the changes mentioned in 3.6, officers may restrict exposure limits and maximum periods if deemed appropriate.
- 3.10 In addition to the above change in methodology, the list of Non-UK banks that the council is able to invest in has been expanded. This is to take advantage of investment opportunity in highly rated institutions, and to provide additional capacity within the portfolio to mitigate the risk of a loss in capacity as a result of the credit rating changes.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 This report sets out the council's annual investment strategy for the year commencing 1 April 2015. The AIS continues with the strong emphasis on risk management and liquidity, two cornerstones to the draft guidance issued by the Secretary of State and the impact these have on investment performance.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The council's external treasury advisors have been consulted in the drafting of this report.

6. CONCLUSION

- 6.1 The 2010 investment guidance requires that local authorities produce an investment strategy to be approved and amended by full Council. This report fulfils that requirement

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial implications arising from the AIS have been included in the Financing Costs budget for 2015/16

Finance Officer Consulted: James Hengeveld

Date: 16/02/15

Legal Implications:

- 7.2 The legal framework for the council's Annual Investment Strategy is Part 1, chapter 1, of the Local Government Act 2003, and associated statutory guidance.

It is a legal requirement for the Annual Investment Strategy to be approved by full Council. It is the role of the Policy & Resources Committee to formulate the strategy prior to consideration by full Council.

Lawyer Consulted:

Elizabeth Culbert

Date: 02/03/15

Equalities Implications:

7.3 No equalities impact assessment is required for this report.

Sustainability Implications:

7.4 The council's ethical investment statement requests that institutions apply council deposits in a socially responsible manner. Ethical options were considered in the report to 12 July 2012 Policy & Resources Committee

Any Other Significant Implications:

Risk & Opportunity Management Implications:

7.5 The investment guidance issued under the 2003 Act requires the council to assess credit worthiness by reference to an independent rating agency. The AIS 2015/16 will use the ratings assigned by Fitch, Moody's and Standard & Poor's.

7.6 The ratings provide an opinion on the relative ability of an institution to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. The council uses credit ratings as an indication of the likelihood of receiving its' money back in accordance with the terms of the investment. Other sources of information are also used to supplement that provided by the rating agencies.

7.7 The minimum ratings set out in the AIS have the following meaning:

	<u>Generic criteria</u>	<u>Fitch</u>	<u>Moody's</u>	<u>Standard & Poor's</u>
<u>For investment up to 1 year</u>				
Short-term	Good capacity for timely payment of financial commitments. Where the credit risk is particularly good, a "+" is added to the assigned rating by Fitch and S&P	F2	P-2	A-2
<u>For investment in excess of 1 year</u>				
Long-term	Strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.	BBB	Baa	BBB

7.8 Investment risk is managed by selecting only institutions that meet the council's stringent credit rating criteria. Liquidity risk is managed by applying maximum investment periods to institutions.

Corporate/Citywide Implications:

- 7.9 Investment income is a resource used by the council to fund revenue expenditure. The recommendations in this report will help to minimise capital risk whilst optimising investment returns over both the short and longer term.

SUPPORTING DOCUMENTATION

Appendices:

1. Annual Investment Strategy 2015/16 including the counterparty list in schedule 1.

Documents in Members' Rooms

None

Background Documents

1. Guidance issued by the secretary of State under Section 15(1)(a) of the Local Government Act 2003 effective from 1 April 2010
2. The Prudential Code for Capital Finance in Local Authorities published by CIPFA – fully revised third edition 2011

BRIGHTON & HOVE CITY
COUNCIL

ANNUAL INVESTMENT
STRATEGY
2015/16

The Annual Investment Strategy 2015/16 is subject to approval by Policy & Resources on 19 March 2015 and full Council on 26 March 2015

Brighton & Hove City Council
Annual Investment Strategy 2015/16

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

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

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

1.1 Capital security

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

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

1.2 Maximum permitted investment by sector

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

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

<u>Table 2 – Maximum permitted investment by sector</u>	
<u>Sector</u>	<u>%age of total investment portfolio at the time the investment made</u>
more than 1 year	cash manager)

1.3 Maximum permitted investment by counterparty

1.3.1 General

With the exception of money market funds, CCLA Public Sector Deposit Fund and the Debt Management Account Deposit Facility no one counterparty may have more than 75% of the relevant sector total at the time the investment is made.

1.3.2 Rated counterparties

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

<u>Table 3 – Exposure limits and maximum periods per counterparty (with rating)</u>				
	<u>A rating of at least (lowest of Fitch (F) / Moody's (M) / Standard & Poor's (SP))</u>			
Short-term rating	F = F1+ M = P-1 SP = A-1+	F = F1+ M = P-1 SP = A-1+	F = F1 M = P-1 SP = A-1	F = F2 M = P-2 SP = A-2
Long-term rating	F = AA+ M = Aa1 SP = AA+	F = AA- M = Aa3 SP = AA-	F = A M = A2 SP = A	F = BBB M = Baa SP = BBB
Exposure Limit	£20m	£20m	£10m	£5m
Maximum period – fixed deposits	3 years	2 years	1 year	6 months
Maximum period – negotiable instruments	5 years	5 years	1 year	6 months

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

1.3.3 Exceptions

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

- Financial institutions that have received Government support (i.e. part-nationalised banks) are deemed to have the highest rating irrespective of the actual rating assigned to them. The limits on the amount advanced and length of investment will be £25 million and 1 year respectively.
- The following major UK Banks for which the highest applicable rating will be applied in place of the lowest:
 - Barclays Bank plc

- HSBC Bank plc
- Lloyds Bank plc & Bank of Scotland plc
- Nationwide Building Society
- Santander UK plc
- The Royal Bank of Scotland plc & National Westminster Bank plc

Where there is a significant or sudden deterioration in one or more of the other ratings (e.g. financial strength, support) allocated to a counterparty, Officers will undertake a review and, where necessary take action. This action may take the form of temporary suspension of a counterparty from the council's approved lending list, or a restriction of the maximum period and investment limits.

1.3.4 Non-rated counterparties

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

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

1.3.5 Cash manager

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

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

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

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

1.4 Investment classification (regulatory)

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

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

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

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

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

2 Approved methodology for changing limits and adding / removing counterparties

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

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

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

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

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

3 Full individual listings of counterparties and counterparty limits

For 2015/16, with the exception of the list of high quality AA rated Non-UK banks within AAA rated countries specified below, investment by the in-house treasury team will be restricted financial institutions incorporated within the UK and regulated by the Financial Services Authority.

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

- Toronto Dominion (Canada)
- Nordea AB (Sweden)
- Commonwealth Bank of Australia
- National Australia Bank
- Svenska Handelsbanken (Sweden)
- DBS Bank Ltd (Singapore)
- United Overseas Bank Ltd (Singapore)

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

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

4 Details of credit rating agencies' services

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

5 Permitted types of investment instrument

All investments must be denominated in Sterling.

The in-house treasury team may invest in fixed term and variable term cash deposits, money market funds and open ended investment companies. The in-house treasury team may only invest in negotiable instruments (including Certificates of Deposit and Enhanced Cash Funds) where to do so offers additional value in terms of investment return and appropriate and supporting advice has been sought from the council's external treasury advisors on the suitability of such an investment.

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

6 Investment risk

6.1 Assessment of credit risk

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

6.2 Investment risk matrix

The benchmark risk factor for 2015/16 is recommended at 0.05%, the same as 2014/15. This benchmark is a simple target (not limit) to measure investment risk and so may be breached from time to time, depending on movements in interest rates and counterparty criteria. The purpose of the benchmark is that the in-house treasury team will monitor the current and trend position and amend the operational strategy depending on any changes. Any breach of the benchmarks will be reported with supporting reasons in the mid year or end of year review.

6.3 Investment advisors

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

6.4 Investment training

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

6.5 Investment of money borrowed in advance

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

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

6.6 Investment liquidity

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

7 Ethical investment statement

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

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

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

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

8 Glossary

Long-term – period in excess of 12 months

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

Non-specified investment – see Table 6 above

Short-term – period up to and including 12 months

Specified investment – see Table 6 above

Supra-national – an organisation that encompasses more than one nation, such as the World Bank

Brighton & Hove City Council

Banks and Other Institutions - In-house Treasury Team
Annual Investment Strategy 2015/16

<u>Counterparty</u>	<u>Specified/ Non- specified</u> ¹	<u>Short-term</u> <u>F = Fitch</u> <u>M = Moody's SP =</u> <u>Standard & Poor's</u>			<u>Long-term</u> <u>F = Fitch</u> <u>M = Moody's</u> <u>SP = Standard & Poor's</u>			<u>Max amou nt</u>	<u>Max period – fixed deposits</u>
		<u>F</u>	<u>M</u>	<u>SP</u>	<u>F</u>	<u>M</u>	<u>SP</u>		
Bank of Scotland / Lloyds Bank	Specified	F1	P-	A-1	A	A1	A	£25m	1 year
Barclays Bank plc	Specified	F1	P-1	A-1	A	A2	A	£10m	1 year
Close Brothers	Specified	F1	P-2		A	A3		£5m	6 months
Clydesdale Bank	Specified	F1	P-2	A-2	A	Baa2	BBB+	£5m	6 months
Crown Agents Bank Ltd	Specified	F2			BBB+			£5m	6 months
HSBC Bank plc	Specified	F1+	P-1	A-1+	AA-	Aa3	AA-	£20m	2 years
National Westminster Bank / Royal Bank of Scotland	Specified	F1	P-2	A-2	A	Baa1	A-	£25m	1 year
NM Rothschild & Sons	Specified	F2			BBB+			£5m	6 months
Virgin Money plc	Specified	F2		A-2	BBB+		BBB+	£5m	6 months
Santander UK plc	Specified	F1	P-1	A-1	A	A2	A	£10m	1 year
Standard Chartered Bank	Specified	F1+	P-1	A-1+	AA-	A1	A+	£10m	1 years
<u>BUILDING SOCIETIES</u>									
<u>(+)</u>									
Coventry (3)	Specified	F1	P-2		A	A3		£5m	6 months
Leeds (5)	Specified	F1	P-2		A-	A3		£5m	6 months
Nationwide (1)	Specified	F1	P-1	A-1	A	A2	A	£10m	1 year
Principality (6)	Specified	F2	P-3		BBB+	Baa3		£5m	6 months
Skipton (4)	Specified	F3	P-3		BBB	Baa3		£5m	6 months
Yorkshire (2)	Specified	F1	P-2		A-	Baa1		£5m	6 months
<u>NON-UK BANKS</u>									
Toronto Dominion (Canada)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£20m	1 year
Nordea bank AB(Sweden)	Specified	F1+	P-1	A-1+	AA-	Aa3	AA-	£20m	1 year
Commonwealth Bank of Australia	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£20m	1 year
National Australia Bank Ltd	Specified	F1+	P-1	A-1+	AA-	Aa2	AA-	£20m	1 year
Svenska HandelsBanken AB (Sweden)	Specified	F1	P-1	A-1	AA-	Aa3	AA-	£10m	1 year
DBS Bank Ltd (Singapore)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£20m	1 year
United Overseas Bank Ltd (Singapore)	Specified	F1+	P-1	A-1+	AA-	Aa1	AA-	£20m	1 year

Continued over page									
<u>OTHER</u> Other Local Authorities (per Authority)	Specified							£10m	5 year
Debt Management Acc Deposit Facility	Specified							Unltd.	6 months
Enhanced Cash Funds (Per fund)	Specified							£10m	Liquid
Money market funds (per fund)	Specified							£10m	Liquid

(*) Ratings as advised by Capita Asset Services February 2015

(+) UK Building Societies ranking based on Total Asset size – Source: Building Societies Association February 2015

¹ distinction is a requirement under the investment regulations

Subject:	Seafront Investment Programme – Governance Arrangements		
Date of Meeting:	19 March 2015		
Report of:	Executive Director for Environment, Development & Housing, and Assistant Chief Executive		
Contact Officer:	Name:	Ian Shurrock	Tel: 29-2084
		Nick Hibberd	
	Email:	ian.shurrock@brighton-hove.gov.uk Nick.hibberd@brighton-hove.gov.uk	
Ward(s) affected:	South Portslade, Wish, Westbourne, Central Hove, Brunswick & Adelaide, Regency, Queen’s Park, East Brighton and Rottingdean Coastal.		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The Seafront Investment Programme brings together a portfolio of projects and seafront initiatives together as a co-ordinated programme of work that will be overseen by a multi-disciplinary programme officer steering group. The Investment Programme will provide the necessary programme and project management arrangements to develop a new Seafront Investment Plan. Also, it will ensure that all seafront investment projects are delivered as part of a co-ordinated investment programme which meets the aims of the Corporate Plan and Sustainable Community Strategy.
- 1.2 The Policy & Resources Committee on 22nd January 2015 agreed the responses to the recommendations of the Seafront Infrastructure Scrutiny Panel. The committee also agreed that a further report is considered by the Policy & Resources Committee in March 2015 as recommended by the Scrutiny Panel to outline how a Seafront Investment Programme will be managed. This report sets out the governance arrangements for the programme.
- 1.3 The Policy & Resources Committee in January also agreed for a further report to be considered by the committee in September 2015 as recommended by the Scrutiny Panel. This report will outline a draft Seafront Investment Plan, and identify potential investment, delivery and wider resource solutions to meet the challenges.

2. RECOMMENDATIONS:

- 2.1 That the committee notes the Programme Brief (Appendix 1), Current Significant Projects (Appendix 2) and Governance Structure (Appendix 3) for the Seafront Investment Programme.

- 2.2 That the committee approves an allocation of £30,000 from the council's 2014/15 Strategic Investment Fund to support progress of the project.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The seafront is of considerable importance to the city as a much visited recreational resource by both residents and visitors alike. The seafront plays a major part in the tourism offer of the city and therefore contributes significantly to the visitor economy of the city, which is valued at £800 million per year and supports 20,000 jobs (15,000 full time equivalents). Therefore, it is essential that the seafront is well maintained and managed to not only reduce the health and safety risks but also ensure that it remains a very attractive place to visit.
- 3.2 The heritage structures and infrastructure managed by the council along the seafront require significant investment. Key issues include the condition of the seafront arches which provide structural support to the A259 and are now in need on ongoing renewal, but also house many businesses, and Madeira Terrace which needs extensive renovation. The seafront railings and retaining walls are also priorities for investment in coming years. Maintaining seafront infrastructure is currently one of the highest priority issues on the Strategic Risk Register.
- 3.3 However, maintenance and renovation requires considerable resources, and the council needs to investigate how to fund any renewal programme. The cost of structural works needed for the seafront is estimated to be in the region of £100 million. In addition, the prioritisation of available resources would be necessary to best support the aspirations of the draft Seafront Strategy.
- 3.4 The Seafront Infrastructure Scrutiny Panel recommended that the council should consider the way the seafront is managed to meet the challenges that are faced. In particular the panel recommended that the council manages the seafront as a single, coherent programme – strategically, financially and operationally.
- 3.5 The proposed programme brief and governance of the Seafront Investment Programme area are outlined in Appendix 1 and Appendix 3. The programme brief document provides an overview of the Seafront Investment Programme governance arrangements, as agreed by the Executive Leadership Team. Included are:
- a diagram of the governance structure (Appendix 3);
 - details of the current significant projects which are part of the Seafront Investment Programme, including key officers (Appendix 2) ;
 - proposals to establish a multi-disciplinary programme team – a group of key officers who will meet regularly to manage the progress of the programme (Appendix 3)
 - terms of reference for the Seafront Investment Board which will oversee the development and delivery of the Seafront Investment Plan (Appendix 3);
 - the highlight report template (Appendix 3).
- 3.6 The objectives of the Seafront Investment Programme respond to the recommendations of the recent Seafront Infrastructure Scrutiny Panel report and include:

- Developing a co-ordinated programme of investment that brings together public, private, government, and business expertise to maximise delivery
 - Creating the conditions that the City's seafront investment destination of choice, with all parts of the seafront fulfilling its potential
 - Ensuring that the City is in a position to unlock seafront development sites, and exploit its assets through identifying all funding opportunities and taking a more commercial investment approach – including the exploration of new models of investment and service delivery
 - Identifying and prioritising a medium term pipeline of investment opportunities which are attractive to investors and developers which drive investment in priority areas
 - Overseeing the co-ordination of improvements to seafront infrastructure, including transport infrastructure, flood defences and broadband connectivity, whilst protecting heritage assets
 - Supporting the development of our visitor and tourist economy in relation to the seafront
 - Developing and overseeing a communication and engagement strategy in relation to the seafront.
- 3.7 The Investment Programme will aim to build upon the positive recent progress that has been made in relation to major regeneration projects along the Seafront. This includes the phase 1 redevelopment of the Seafront Arches, construction commencing on the Brighton i360, progress with the procurement of a development partner for the King Alfred site, and the ongoing progress with the Brighton Waterfront project which aims to deliver a major multi-use event and conferencing venue on the Black Rock site, and a new extension to the Churchill Square shopping centre onto the Brighton Centre site. Greater strategic co-ordination of these and other seafront investments through the Investment Programme will provide further opportunities to leverage new funding and investment opportunities as projects act as a catalyst for further regeneration.
- 3.8 The Seafront Investment Programme will be overseen by a cross-departmental, multi-disciplinary officer steering group, which will report to the Corporate Investment Board, which comprises the Executive Leadership Team (ELT) and other key members of the Corporate Management Team. The officer steering group team will meet regularly to ensure co-ordination of all of the projects, pipeline proposals and funding bids that form the Seafront Investment Programme. This new multi-disciplinary approach will enable effective programme management, co-ordination, and the appraisal, assessment and governance of projects. The administration of the programme will be undertaken by the City Regeneration service. A proposed initial list of current significant projects is included in Appendix 2, with the governance structure at Appendix 3 and terms of reference for the steering group at Appendix 4..
- 3.9 The detailed involvement and oversight of cross-party elected Members remains a key element of major regeneration and investment projects. Cross-Party Project Boards are established on a project specific basis as agreed by Policy & Resources Committee. Project approvals and key decisions are sought as required from the relevant Policy Committee, Policy & Resources Committee and Greater Brighton Economic Board.

- 3.10 In response to the recommendation made by the Seafront Infrastructure Scrutiny Panel, the Seafront Investment Programme officer team are currently exploring ways of ensuring that all relevant information relating to the seafront is stored in a central place to ensure effective sharing and coordination of information across departments. This is likely to initially involve the use of a SharePoint site to allow documents to be stored electronically in a single place.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Policy & Resources Committee agreed on the 22nd January 2015, in response to the recommendations made by the Seafront Infrastructure Scrutiny Panel, that a report would be brought to the 19th March 2015 meeting outlining the governance arrangements for the new Seafront Investment Programme.
- 4.2 As the delivery of the co-ordinated programme progresses and the new Seafront Investment Plan is developed, it is anticipated that there will be opportunities to consider new models of investment. The draft Seafront Investment Plan will be presented to Policy & Resources Committee in September 2015 and will aim to consider a number of investment and delivery options for the future sustainability of the City's Seafront. It is proposed that an allocation of £30,000 is made from the 2015/16 Strategic Investment Fund to commission specialist support for an options appraisal of new investment models.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The Seafront Infrastructure Scrutiny Panel interviewed thirty witnesses during panel meetings of which sixteen were external to the council. The panel also held a drop in session for those who wished to give their views to the panel on the seafront and over fifty people attended. A consultation workshop was also held with the Brighton & Hove Tourism Advisory Board in which panel members were provided feedback on the seafront.
- 5.2 Extensive consultation was undertaken on the draft Seafront Strategy which received a good level of response. Public exhibitions and promotion of a survey on the draft strategy generated 725 responses. In addition, workshops were held for elected members and internal officers to inform the draft strategy.

6. CONCLUSION

- 6.1 The seafront is of significant strategic importance to the city. Therefore, it is essential that the seafront is maintained and developed to ensure that the city benefits fully from this primary asset.
- 6.2 This report outlines a new approach to co-ordinating all activity and investment in relation to the seafront, through establishing a Seafront Investment Programme that will oversee the development of a new Seafront Investment Plan. Within the context of the difficult financial climate, it is essential that new models of investment and delivery are identified and that they are used in the most effective way through a planned and co-ordinated investment programme.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The Seafront Investment Programme will require an estimated £100m investment over a number of years and no funding has been identified at this point to support this requirement. The Seafront Investment Plan will be developed to identify funding options including new models of investment such as private sector funding, as well as a co-ordinated approach to seeking external public sector funding. A business plan that will be reported back to future Committees. All other seafront related projects identified in Appendix 2 will have individual business plans to enable their delivery.
- 7.2 The Strategic Investment Fund provides funding to support the delivery of corporate major projects and investment plans to enable their progression. It is proposed that an allocation of £30,000 is made from the 2014/15 Strategic Investment Fund to commission specialist support for an options appraisal of new investment models.

Finance Officer Consulted: Rob Allen

Date: 24.02.15

Legal Implications:

At this stage there are no direct legal implications arising from this report. The ongoing position will be kept under review and specific legal implications considered in respect of the options which come forward.

Lawyer Consulted: Bob Bruce

Date: 20.02.15

Equalities Implications:

- 7.3 A co-ordinated programme of investment in the seafront would help to create an accessible and connected seafront. A well maintained and attractive seafront would enhance accessibility to the wider public.

Sustainability Implications:

- 7.4 The objectives of the Seafront Investment Programme are aimed at improving the sustainability of the seafront and contributing to the wider sustainability objectives of the city.

Any Other Significant Implications:

- 7.5 No other significant recommendations.

SUPPORTING DOCUMENTATION

Appendices:

1. Seafront Investment Programme Brief
2. Current Significant Projects
3. Governance Structure Chart
4. Terms of Reference for Officer Steering Group

Documents in Members' Rooms

1. None

Background Documents

1. Report to Policy & Resources on 22nd January 2015 – “Response to the Seafront Infrastructure Panel Recommendations”
2. Report of the Overview and Scrutiny Panel on Seafront Infrastructure – October 2014

Seafront Investment Programme Brief

Project:	Seafront Investment Programme
Date:	February 2015
Version Number:	v.2 (DRAFT)
Author:	Nick Hibberd Head of City Regeneration, Brighton & Hove City Council
Distribution:	Seafront Investment Programme Officer Steering Group Corporate Investment Board Policy & Resources Committee

1 Programme Objectives

- 1.1 The Seafront Investment Programme brings together a number of projects and seafront initiatives as a co-ordinated programme of work that is overseen by a multi-disciplinary programme steering group – working as a virtual team.
- 1.2 The Seafront Investment Programme will provide the necessary programme and project management arrangements to develop and deliver a Seafront Investment Plan and ensure that all seafront investment projects are delivered as part of a co-ordinated investment programme which meets the aims of the Corporate Plan and Sustainable Community Strategy.
- 1.3 The Seafront Investment Programme governance arrangements, as agreed by the Executive Leadership Team include:
- details of the current programmes/projects which are part of the Seafront Investment Programme, including key officers (Appendix 2);
 - a diagram of the governance arrangements (Appendix 2);
 - proposals to establish a multi-disciplinary programme team – a group of key officers who will meet regularly to manage the progress of the programme ;
 - terms of reference for the Seafront Investment Board which will oversee the development and delivery of the Seafront Investment Plan (Appendix 4);
 - highlight report template.
- 1.4 The objectives of the Seafront Investment Programme include:
- Develop a co-ordinated programme of investment that brings together public, private, government, and business expertise to maximise delivery
 - Creating the conditions that the city’s seafront investment destination of choice, with all parts of the seafront fulfilling its potential
 - Ensuring that the city is in a position to unlock seafront development sites, and exploit its assets through identifying all funding opportunities and taking a more commercial investment approach – including the exploration of new models of investment and service delivery
 - Overseeing the co-ordination of improvements to seafront infrastructure, including transport infrastructure, flood defences and broadband connectivity, whilst protecting heritage assets

Appendix 1. Seafront Investment Programme Brief

- Supporting the development of our visitor and tourist economy in relation to the seafront
- Positioning Brighton & Hove's Seafront as a central aspect of the UNESCO Biosphere through seeking low carbon investment in green and blue infrastructure.

1.5 The Seafront Investment Programme will be overseen by an Officer Programme Board, which will report to the new Corporate Investment Board (ELT). Major Projects will engage elected members through project specific cross-party Member Project Board. When required, project approvals and key decisions will be made at the appropriate policy committee, Policy & Resources Committee, and the Greater Brighton Economic Board. A draft governance structure appears at Appendix 2.

1.6 A strong pipeline of projects has emerged through the development of the City Deal, Coast to Capital Local Enterprise Partnership Economic Plan and Growth Deal proposals, and Brighton Waterfront proposals spanning commercial and physical developments, transport, flood defences and broadband infrastructure. An overarching single governance approach is required to enable programme management, co-ordination, and the appraisal, assessment and governance of projects taking into consideration.

1.7 By bringing together projects as part of a co-ordinated Seafront Investment Programme, ELT can ensure that limited capacity is maximised and resources are invested in ways that will have most impact upon the social, environmental and economic well-being of the city.

2 Programme Scope

2.1 To achieve the above objectives, the programme will:

- Develop a Seafront Investment Plan that outlines a programme of maintenance and renewal of the seafront
- Develop options for new models of investment and service delivery
- Identify and prioritise a medium term pipeline of investment opportunities which are attractive to investors and developers which drive investment in priority areas
- Identify an agreed and shared set of infrastructure priorities
- Identify opportunities to bid for external funding such as EU Structural Investment Funds, Coastal Communities Fund, Highways Maintenance Challenge Fund and other funding streams
- Report investment proposals, delivery progress and outcomes to the Corporate Investment Board
- Develop and oversee a communication and engagement plan.

3 Project Deliverables

3.1 The initial list of current, significant projects that form the Seafront Investment Programme are attached at Appendix 2.

Appendix 1. Seafront Investment Programme Brief

3.2 A more detailed Seafront Investment Plan will be prepared by the Programme Board over the coming months and reported to Policy & Resources Committee in September 2015.

4 Programme Exclusions

4.1 The projects within the Seafront Investment Programme include those Seafront projects that fall within the city boundaries. This includes the Shoreham Harbour Project in relation to the Aldrington Basin and Portslade Industrial Estate area.

5 Programme Governance

5.1 The proposed programme governance structure is in Appendix 3. A member of the ELT (Geoff Raw, Executive Director of Environment, Development & Housing) will be the Senior Responsible Officer for the Seafront Investment Programme.

5.2 The draft terms of reference for the Seafront Investment Board are at Appendix 4.

5.3 The primary role of the new Seafront Investment Programme Board will be to act as corporate sponsors and change champions for the Seafront Investment Programme, delivering our values by demonstrating:

Accountability

- Providing oversight of the portfolio, programmes, projects and change management process that form the Seafront Investment Programme
- Developing a strategic perspective

Delivery

- Driving for results by providing strategic leadership and overall direction for the Seafront Investment Programme

Personal Impact

- Communicating powerfully and prolifically
- Displaying high integrity and honesty
- Inspiring and motivating others
- Supporting people and working collaboratively

Working Together

- Solving problems and analysing issues
- Collaborating and promoting team work
- Ensuring the programme is appropriately balanced against council priorities

Role

Appendix 1. Seafront Investment Programme Brief

The Seafront Investment Programme Board will be the strategic decision making body driving change by:

- Acting individually and collectively as a vocal and visible champion for seafront investment
- Securing spending authority and resource for the programme
- Providing support for Senior Responsible Owners (SROs) and/or Programme Managers to ensure overall strategic coherence
- Approve programme deliverables, help resolve issues and policy decisions, approve scope changes, and provide direction and guidance to the programme
- Ensure learning is shared
- Identifying and managing programme level risks
- Ensuring delivery is monitored using:
 - Key milestones
 - A clear outcomes framework
 - Clear viable business cases and investment plans supported by robust financial monitoring
 - Benefits capture.

6 Programme Interfaces

6.1 It is important to recognise the relationship between the Seafront Investment Programme and other investment and regeneration programmes that are reported to the Corporate Investment Board. The Corporate Investment Board will oversee a number of investment programmes that co-ordinate all of the investment and regeneration activity across the city. These investment programmes are outlined in para 6.2. Some of these investment programmes are proposed and will be established over the coming months.

6.2 The Seafront Investment Programme's key interfaces are with:

- 1) The City Centre Investment Programme, which will co-ordinate a programme of projects including Valley Gardens, Circus Street, North Street improvements, Royal Pavilion Estate, Edward Street Quarter
- 2) The New England Quarter and London Road Investment Programme which will co-ordinate a programme of projects including Brighton Station Gateway, New England Quarter, New England House, London Road
- 3) The Lewes Road Investment Programme, which will co-ordinate a programme of projects including Preston Barracks, Gyratory improvements, Falmer Released Land, Uni of Sussex Master Plan
- 4) Greater Brighton Investment Programme

7 Programme Resource Requirements

7.1 The City Regeneration service will provide administrative and programme management support to the Seafront Investment Programme. Individual projects

Appendix 1. Seafront Investment Programme Brief

will have their own project management and administrative requirement identified as outlined in Appendix 2.

7.2 Each Project Manager and Board member will need to commit officer time to attend board meetings. Each project reporting into the programme will have its own independent resource requirements and will be subject to individual business cases.

7.3 It is proposed that an allocation of £30,000 is made from the 2014/15 Strategic Investment Fund to commission specialist support for an options appraisal of new investment models.

8 Programme monitoring and reporting

8.1 Knowing whether we are on track is crucial to delivering the Seafront Investment Programme, to analyse and manage progress. A highlight report template is attached at Appendix 3. A highlight report will be completed for each project and reported to each meeting of the officer steering group and corporate investment board.

9 High Level Programme Risks

9.1 A full risk register for the Seafront Investment Programme will be established by the Programme Manager and overseen by the Programme Board. High level risks are summarised below.

Risk	Mitigation
Project Viability There is an investment requirement of in the region of £100m and a viable seafront investment plan has not been developed	<ul style="list-style-type: none">• A work stream of the investment programme will explore new models of investment and opportunities to secure external funding as part of the development of a Seafront Investment Plan• It is proposed that an allocation of £30,000 is made from the 2014/15 Strategic Investment Fund to commission specialist support for an options appraisal of new investment models.
Capacity to deliver programme The programme involves an ambition to deliver projects of significant scale with limited staff resources	<ul style="list-style-type: none">• The programme management and administration will be delivered by the City Regeneration Service within existing budgets.• Each project will identify its own resource requirements. New projects will require a business case to be agreed by the Officer Steering Group and Corporate Investment Board.
Legal risk Projects become ineligible for public funding due to State Aid legislation Risk of challenge through procurement process.	<ul style="list-style-type: none">• Legal advice on State Aid compliance will be obtained as appropriate• Legal and procurement advice will be followed to ensure an appropriate procurement strategy and process is followed
Planning risk Planning permission is not achieved for key regeneration schemes	<ul style="list-style-type: none">• Ensure that the relevant Local Planning Authority is consulted from an early stage in the development of scheme proposals
Transport risk	<ul style="list-style-type: none">• Ensure early involvement from the relevant Highway

Appendix 1. Seafront Investment Programme Brief

Risk	Mitigation
Transport impacts and implications cannot be overcome or generate problems elsewhere in the city	Authority/ies to provide initial consideration and advice on possible transport issues arising from the development of scheme proposals.
Community risk Schemes included within the Investment Programme are not supported by local community	<ul style="list-style-type: none"> • Ensure early consultation and engagement with residents, businesses, and other stakeholders on a project by project basis • Develop a communications strategy alongside the Investment Programme

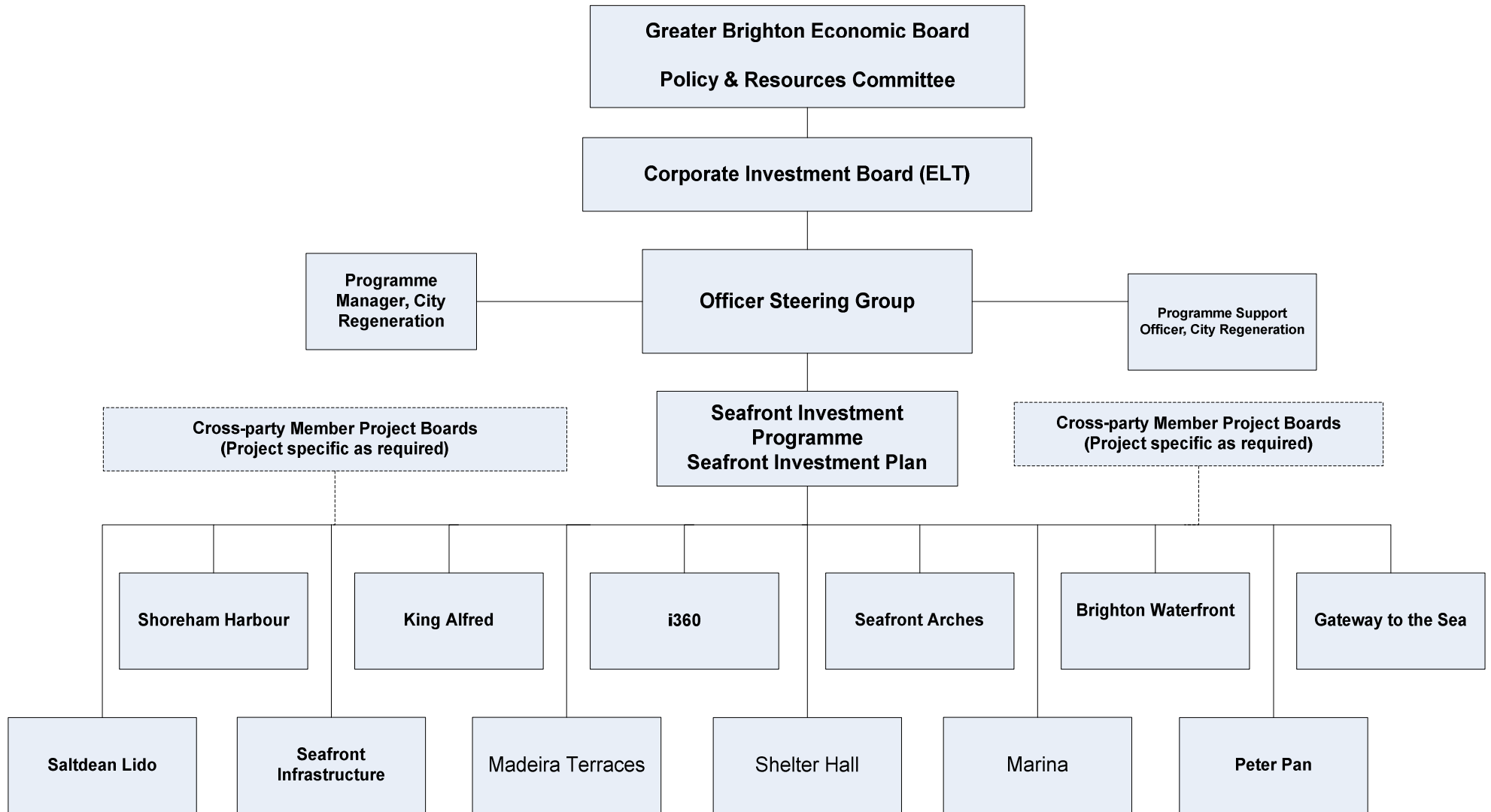
End.

Appendix 2. Draft Seafront Investment Programme – Current Significant Projects

Programme / Project	Senior Responsible Officer (SRO)		Programme / Project Manager	Client	Finance Lead	Legal Lead	Property Lead	Planning Lead
	Name	Directorate						
Seafront Investment Plan	Geoff Raw	EDH	Katharine Pearce	Ian Shurrock	Mark Ireland / Rob Allen	Bob Bruce / Oliver Asha	Jane Pinnock	Rob Fraser
A259 Corridor Study	Mark Prior	EDH	tbc	Andrew Renaut	tbc	tbc	N/A	tbc
Shoreham Harbour Project Board	Nick Hibberd	EDH	Vacant post	tbc	tbc	tbc	Angela Dymott	Mike Holford
King Alfred	Martin Randall	EDH	Mark Jago	Ian Shurrock	Anne Silley	Bob Bruce	Charles Hothersall	Claire Flowers
i360	Nick Hibberd	EDH	Katharine Pearce	Ian Shurrock	Mark Ireland	Bob Bruce	Jane Pinnock	Kathryn Boggiano
King's Road Seafront Arches (east of i360 site - Phase 2)	Mark Prior	EDH	Leon Bellis	Mark Prior/Toni Manuel		Bob Bruce	Jane Pinnock	Kathryn Boggiano
Waterfront Central (Brighton Centre/Churchill Square)	Nick Hibberd	EDH	Katharine Pearce	Howard Barden	Mark Ireland	Bob Bruce	Jessica Hamilton	Martin Randall
Former West Street Shelter Hall	Mark Prior	EDH	Leon Bellis	Mark Prior/Toni Manuel	Steven Bedford	Bob Bruce	Jane Pinnock	tbc
Madeira Terraces	Angela Dymott	F&R	Bob Dumbrell	Toni Manuel	Steven Bedford	Bob Bruce	Bob Dumbrell	tbc
Peter Pan	Paula Murray	ACE	Toni Manuel	Ian Shurrock	Michael Bentley	tbc	Jane Pinnock	Paula Goncalves
Volks Railway	Paula Murray	ACE	Toni Manuel	Ian Shurrock	Michael Bentley	tbc	Jane Pinnock	Paula Goncalves

Waterfront East (Black Rock)	Nick Hibberd	EDH	Katharine Pearce	Howard Barden	Mark Ireland	Bob Bruce	Jessica Hamilton	Martin Randall
Saltdean Lido	Paula Murray	ACE	Toby Kingsbury	Ian Shurrock	Michelle Herrington	Bob Bruce	Jane Pinnock	Kathryn Boggiano
Coast Protection / Seafront Maintenance	Geoff Raw	EDH	Martin Eade	Mark Prior	Steven Bedford	Jo Wiley	N/A	N/A

Appendix 3. Draft Seafront Investment Programme Governance Structure



Seafront Investment Programme Officer Steering Group (Version 2 – February 2015)

Terms of Reference

The Executive Leadership Team (ELT) agreed to establish a Seafront Investment Programme to develop and drive the Seafront Investment Plan and Programme to ensure that the Seafront continues to be a fantastic place to live, work and visit whilst also support economic growth, infrastructure improvements, and the delivery of the City Council's Medium Term Financial Strategy.

The Seafront Investment Programme Officer Steering Group will report to the Corporate Investment Board

Purpose

The Officer Steering Group will act as corporate sponsors and change champions for the Seafront Investment Programme, delivering our values by demonstrating:

Accountability

- Providing oversight of the portfolio, programmes, projects and change management process that form the Seafront Investment Programme
- Developing a strategic perspective

Delivery

- Driving for results by providing strategic leadership and overall direction for the Seafront Investment Programme

Personal Impact

- Communicating powerfully and prolifically
- Displaying high integrity and honesty
- Inspiring and motivating others
- Supporting people and working collaboratively

Working Together

- Solving problems and analysing issues
- Collaborating and promoting team work
- Ensuring the programme is appropriately balanced against council priorities

Role

The Officer Steering Group will be the strategic decision making body driving change by:

- Acting individually and collectively as a vocal and visible champion for Seafront Investment
- Securing spending authority and resource for the programme
- Acting as the ultimate decision maker for the programme
- Providing support for Senior Responsible Owners (SROs) and/or Programme Managers to ensure overall strategic coherence
- Will approve programme deliverables, help resolve issues and policy decisions, approve scope changes, and provide direction and guidance to the programme
- Ensure learning is shared
- Identifying and managing programme level risks
- Ensuring delivery is monitored using:
 - Key milestones
 - A clear outcomes framework
 - Clear viable business cases and investment plans supported by robust financial monitoring
 - Benefits capture

Membership

Geoff Raw (Chair of Board), Paula Murray, Nick Hibberd, Martin Randall, Mark Prior, Angela Dymott, Ian Shurrock, Toni Manuel, Jane Pinnock, Leon Bellis, Mark Ireland, Mark Jago, Katharine Pearce, Paul Campbell, Cheryl Finella

Appendix 4. Draft Terms Of Reference for Officer Steering Group

Frequency and duration of meetings

The Seafront Investment Board will meeting 6/8 weeks for ninety minutes

Support to the Board

The City Regeneration Service will steer the overall organisation of the Seafront Investment Programme change management strategy, manage risk and advise on the appropriate level of resourcing needed to deliver the workstreams.

Subject:	Options for the store between 67 & 67A St Andrews Road Portslade (aka Portslade Police Station)		
Date of Meeting:	19 March 2015.		
Report of:	Executive Director of Environment, Development & Housing		
Contact Officer:	Name:	Simon Pickles	ext: 2083
	Email:	simon.pickles@brighton-hove.gov.uk	
Ward(s) affected:	South Portslade.		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report sets out the options for the future use of the building formerly used as the Portslade police station (decommissioned over 60 years ago). This police station was built in 1908 for the East Sussex County Constabulary. The building is held with the Housing Revenue Account (HRA). A photograph is at Appendix 2.
- 1.2 The reasons for this report coming to P&R are:
- a) That this committee has previously (in March 2014) considered a petition for an alternative community use and (in February 2015) a delegation by the Brighton & Hove Heritage Commission; and,
 - b) That the potential uses span more than one service committee.
- 1.3 A key priority identified in the City housing strategy 2015 is to improve the supply of housing, specifically identifying the lack of sufficient new affordable rented housing. By creating additional accommodation, the proposal in this report supports the delivery of the new City housing strategy.
- 1.4 The delivery of additional homes can be achieved both through newbuild and conversion of existing HRA properties. The asset management strategy options range from conversions and extensions to infill development and estate regeneration. The recommendation to convert the building for housing supports the wider HRA strategy to make the best use of our assets to meet pressing housing needs.

2. RECOMMENDATIONS:

That Policy & Resources Committee agrees that:

- 2.1 Officers should proceed with the option to convert the building into one wheelchair accessible four bedroom family dwelling.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The storage areas of the decommissioned Portslade Police station were identified as a 'change of use' opportunity as part of a city wide review of empty properties, which formed a register of HRA assets for strategic consideration in 2011.
- 3.2 The Property and Investment's asset team were instructed to undertake an initial options appraisal with recommendations following a lack of available empty homes.
- 3.3 A preferred option was put forward in 2012 for conversion to a single accessible residential unit. Policy and Resources committee approval to expend funds was secured at the time.
- 3.4 Planning applications were then made, then withdrawn due to local action to achieve listed status for the building with English Heritage. This listed status application was unsuccessful despite the recognition of the site as being a 'local historical asset'. Extracts from the decision: *'Architectural interest: the Queen Anne style is standard for police stations of this date and although the sandstone porch is an attractive well carved feature overall the design lacks strong compositional quality and coherence. The adjoining police houses are typical suburban houses of the period and not integrated into the design; ...a number of first floor windows have been replaced on the principal front and the stables have been demolished...CONCLUSION: Although this building has some local interest it does not meet the criteria for listing'*.
- 3.5 After receiving planning consent in 2013 for the conversion a local group made objections to the council. Concerns were raised from a local history perspective and permission was granted to explore independently the viability of creating a museum. An ePetition on this subject, signed by 177 people, ran from 18/12/2013 to 20/03/2014.
- 3.6 Following a review of this option, it was concluded that the viability of a community led museum remained uncertain, noting that any community group taking this on would still have to find the capital to purchase and refurbish the premises.
- 3.7 In early 2014 Mears were commissioned to design a conversion to achieve 3 units of accommodation on the site, because 67a was soon to be void which allowed the broadening of the scope of the opportunity. This latest iteration of the plan - at pre-planning stage and not yet signed off by housing, incorporates 67a & the store into three family units. This is not recommended owing to complexity and viability.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

The initial feasibility appraisal in 2011 highlighted the alternative options (please see appendix 1 & 1a. below).

Option 1:

- 4.1 The analysis of the range of options favoured a conversion to one domestic dwelling as the most viable option for the storage space at the time.

- 4.2 The aim of achieving a 'sympathetic' historical conversion was the central plank of the design rationale.
- 4.3 Working closely with both the planning department and English Heritage, the project team has sought to retain as much of the original interior as practicable, reversing some planning breaches by restoring the façade to its original design whilst still providing a flexible family home.
- 4.4 Notwithstanding the planning conditions attached to this planning consent, it is anticipated that this scheme, for a 4 bedroom family home, can be delivered within existing allocated budget. A capital budget line of £127,000 has currently been approved at P&R committee, with regard to this project,

Option 2:

- 4.5 The later scheme (with 3 family units) envisaged, has brought to light more problematic design related implications and presents with creating significant risks giving rise to several complex management implications.
- 4.6 It is anticipated that the design produced would cost £350,000 additional to the existing approved budget, necessitating a need for officers to take the scheme back to P&R committee for additional budgetary approval.
- 4.7 Taking such action would mean that further delay would be experienced by this project.

Option 3:

- 4.8 This option would involve outright disposal of this HRA asset, likely to be in the region of £250-300,000 (subject to a valuation). This option is not recommended.
- 4.9 Last year (2014) most property sales in Portslade involved terraced properties which sold for on average £253,984. Semi-detached properties sold for an average price of £256,427, while detached properties fetched £313,480.

Option 4:

- 4.10 The economic viability of a community led heritage museum remains uncertain and the issue of any community group taking this on would still involve them having to find the capital to purchase and refurbish the premises.
- 4.11 The Council may wish to question the deployment of any further officer time or resources into working up the options on this option. Any further model that comes forward for consideration would have to be fully costed, from both the capital and revenue perspectives.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Ward councillors have been briefed on the proposal.
- 5.2 The preferred scheme has already been taken by officers through full public consultation within the planning process.

- 5.3 An ePetition ran from 18/12/2013 to 20/03/2014. 177 people signed the ePetition which stated: *'We the undersigned petition Brighton & Hove Council to Stop any imminent redevelopment works on the 'Old Police Station' immediately and allow local residents to be consulted on the buildings future use. We the undersigned believe this building to be of significant local interest and part of our community's heritage and propose consideration of the building for use in the community'*.

The P&R Committee in March 2014 turned down this proposal, advising that the building had been earmarked by the council to be developed into social housing with planning permission and funding already in place.

- 5.4 On 12 February 2015 the P&R Committee received a delegation from The Brighton and Hove Heritage Commission who believed there was an opportunity to utilise the old police station as a heritage centre for Portslade and the city. The delegation believed that it would provide a greater benefit as a heritage centre for the community and enable it to become a focal point for schools, groups and local organisations. The delegation sought the committee's agreement to enabling a feasibility study to be completed within 6 months.

6. CONCLUSION

- 6.1 The delivery of new homes helps to meet the City's strategic objectives as set out in the Council's Housing Strategy and City Plan. This is an excellent opportunity to provide a much needed wheelchair accessible home for rent in one of the few areas of the city that can provide level access and physical transport links for a disabled resident .
- 6.2 This project will provide a much needed fully accessible home for a family, while retaining its distinctive, historical appearance.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

The original budget approval of £127,000 for the conversion of Portslade Police Station was included in the Housing Revenue Account Capital Programme 2012-2015 report (included in the structural works programme) approved by Policy & Resources in February 2012. As this scheme had not progressed this budget has been carried forward each year, with the carry forward being reported and approved through the targeted budget monitoring reports to Policy & Resources Committee in each subsequent financial year.

In the main body of this report it states that the delivery of a 4 bedroom family home can be delivered within this existing budget approval. Any significant variation to the original budget would require further approval from Policy & Resources in accordance with the council's standard financial procedures.

A proposal to deliver 3 family units would need further budget approval from Policy & Resources as this significantly changes the original scheme. A full appraisal would be required, which would consider the costs of delivering the alternative scheme and how this can be funded through the Housing Revenue Account.

If the disposal of the asset was considered, the receipt from the sale can be retained by the council for use on affordable housing projects, estate regeneration or the repayment of Housing debt.

Legal Implications:

- 7.2 Section 9 of the Housing Act 1985 allows local housing authorities to provide housing accommodation by erecting houses, or converting buildings into houses on land held for the purposes of Part II of the Act – Provision of Housing Accommodation. The recommendation to proceed with the conversion of the building into one accessible four bedroom family dwelling is clearly within the council's powers.

Lawyer consulted: Liz Woodley

Date: 20/02/15

Equalities Implications:

- 7.3 The proposed option provides wheelchair accessible accommodation for a high priority group of housing applicants. There are tangible efficiencies that can be delivered by providing a home for someone who is in need of an adapted home. E.g. preventing admission to residential care and ensuring a family with a disabled member can continue to live together. The council has a number of households on the waiting list who require high costs adaptations and this project will be a way of meeting some of that need.

Sustainability Implications:

- 7.4 The conversion will include photovoltaic panels on the roof, thereby reducing the tenant's electricity costs, and also internal wall insulation.

SUPPORTING DOCUMENTATION

Appendices:

1. Future Use Analysis Scoring

1a Planning Approval

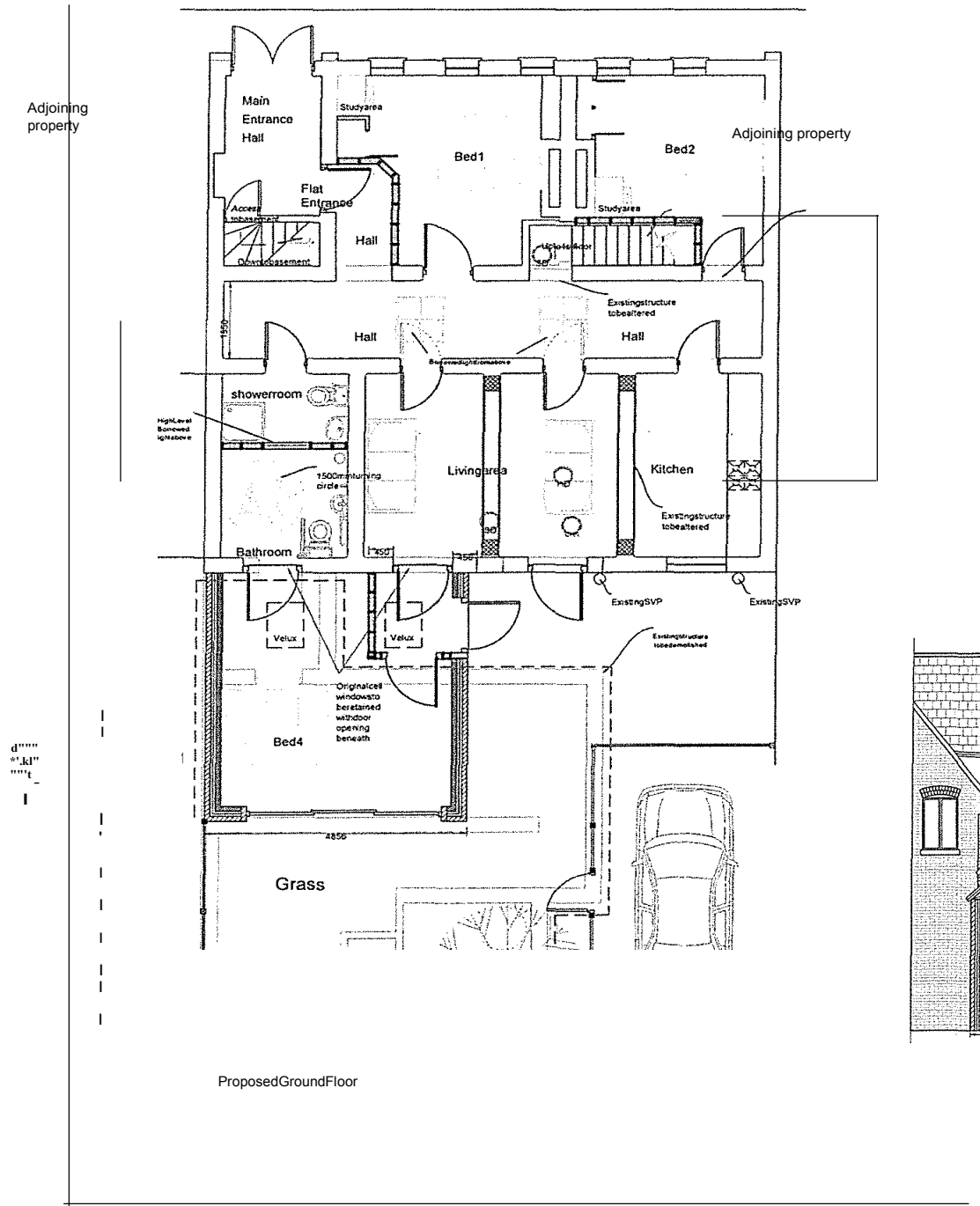
2. Photograph

Appendix 1

St Andrews Road former police station				
Future use potential analysis and scoring July 2011				
Potential Use	Positives	Constraints	Overall use potential	Notes
Museum	Potentially allows all existing historical features to be retained	No BHCC funding identified to set up and run/financial viability unclear. Location in residential block/area away from tourist attractions. Parking. Existing features may not be attractive enough. Conflict with police museum at Brighton Town Hall basement ?	Low	
Office	May be some potential for this use. Some internal features can be retained.	Some loss of existing internal features	Low	
Domestic	Financially viable. Within residential block/area. Clear demand for residential/social housing in city. Can retain some internal features within design. Can use garden for family.	Some loss of existing internal features	High	mitigation?:can offer original fittings to police museum if they are interested
Storage	Potential for existing features to be retained	BHCC has no requirement for storage facilities at present	Low	

Appendix 1a

Planning approval for a 4 bedroom flat



Bedroom three is upstairs and is not shown on this plan.

Appendix 2

Portslade Police Station



Subject:	Coast Protection and Highway Structures Maintenance Framework Agreement		
Date of Meeting:	19 March 2015		
Report of:	Executive Director Environment Development and Housing		
Contact Officer:	Name:	Martin Eade	Tel: 29-4568
	Email:	martin.eade@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report seeks approval for the tendering of a framework agreement to provide for the structural maintenance of the city's coast defences and highway structures.
- 1.2 The continued maintenance of coastal and highway structures is essential to maintain the attractiveness of the City's seafront and to communications around the City.

2. RECOMMENDATIONS:

That Policy and Resources Committee:

- 2.1 Approves the procurement of a framework agreement for maintenance works with a term of four years from 1 October 2015 to 30 September 2019; and
- 2.2 Grants delegated authority to the Executive Director Environment, Development and Housing -
 - (i) to carry out the procurement of the framework agreement referred to in 2.1 above including the award and letting of the framework agreement; and,
 - (ii) to enter into any subsequent call-off contracts to the framework agreement referred to in 2.1 above should he/she consider it appropriate at the relevant time.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Council is a coast protection authority and a highway authority.

Coast Protection

- 3.2 The powers under the Coastal Protection Act 1949 are 'permissive', ie. the Council has no statutory obligation to carry out works to defend the coast. However, the City's beaches and promenades are a fundamental part of the attractiveness of Brighton & Hove.
- 3.3 As a coast protection authority the Council can use its powers to carry out work to our coast defences. The defences consist of beaches, groynes, seawalls and the Undercliff Walk. Maintaining these defences prevents erosion of our coastline and supports and enhances the attractiveness of the City.
- 3.4 The Transport Division is very active in maintaining the City's coast defences. The seawalls and groynes that maintain our beaches and defend the City require continuous maintenance to combat the daily attrition of the sea.

Highway Structures

- 3.5 As highway authority the Council carries out a range of activities under a number of different contracts. 'Highways structures' is the collective term given to the bridges, retaining walls and subways that support or cross the public highway. Highway structures provide physical support to parts of the highway network and require regular maintenance and repair to ensure their effectiveness and safety. As a highway authority, the Council is required to maintain the public highway free from danger.
- 3.6 The Transport Division currently carries out repairs, reconstruction and general maintenance of our coast defences and highway structures under a maintenance contract with C.J.Thorne that is due to expire on 30 September 2015.
- 3.7 It is necessary to procure a new framework agreement for 4 years from 1 October 2015.
- 3.8 The new framework agreement will be made available to Brighton Marina and Shoreham Port Authority so that they may use the contractor and choose to call off contracts for works under the framework. This will increase the attractiveness of the contract to tenderers, increase competitiveness and result in better value for money for the Council.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Council views the city's beaches and promenades as a fundamental part of the attractiveness of Brighton & Hove and wishes to continue to maintain them to an acceptable standard. However, if the Council were to decide to withdraw from coast defence activities then in all probability the Environment Agency would provide only a minimum level of defence.
- 4.2 There were no other frameworks run by other neighbouring authorities that were applicable for the Council to use. The Council always looks for ways of collaborating with adjacent authorities when tendering work. In this instance Lewes DC and Adur and Worthing councils were asked if they would like to have access to the Framework but have declined.

Intention of Environment, Development and Housing to develop new framework

- 4.3 A new framework agreement will enable the Council to carry out works of repair, reconstruction and maintenance to the city's coast defences and highway structures. The framework agreement will be between the Council and one contractor who will complete all work on the coast defences and highway structures. As it will be a framework agreement, it means that the appointed contractor has no guarantee of any work over the 4 year period of the agreement. The value of any individual contract called-off under the framework is unlikely to exceed £90,000 but given that the work is often in response to extreme weather this can only be an estimate.
- 4.4 Shoreham Port and Brighton Marina have been invited to join the Council in this framework. Both these organisations have requirements for coast defence work. The Council will therefore be collaborating with both organisations enabling closer working relationships and a more coherent strategy for the whole stretch of coastline, as well as potentially achieving greater economies of scale due to the amount of work being greater between the three organisations than just from the Council's own requirements. Over the 4 years of the framework agreement the combined value of works is likely to be in the order of £2.6m which puts the framework arrangement under the EU procurement threshold. It will not be necessary to advertise it in OJEU but it will still need to be subject to a competitive procurement process.
- 4.5 Various procurement options have been discussed with Strategic Finance and Procurement and this form of framework, procured through a rigorous tender process is considered most suitable. The use of a framework agreement with "call-off" arrangements and a Schedule of Rates, allows market tested competitive rates to be utilised for any civil engineering projects within the scope of the documentation.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Not Applicable as this framework only enables individual works and projects to be undertaken, each of which will undergo its own engagement and consultation process as required.

6. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 6.1 It is anticipated that expenditure related to the proposed tender for coast protection and highway structures framework agreement will be funded from existing revenue budgets and approved capital budgets within the Transport service.
- 6.2 The financial implications of the recommendations will depend on the outcome of the procurement process and the works required. Any variation between contract costs and approved budgets will be reported as part of the monthly budget monitoring process.

Legal Implications:

- 6.3 Under the Highways Act 1980, the Council has a duty to maintain the public highway and a general power to undertake improvements to the highway, including the maintenance of any structures on the highway.
- 6.4 The powers given to Coast Protection Authorities under the Act are permissive, i.e. the Council is not obliged to protect the coastline but chooses to do so in Brighton & Hove.
- 6.5 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 contracts arising under the framework is likely to have corporate financial implications.
- 6.6 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 total value involved of the proposed call-off contracts over the term of the framework agreement.
- 6.7 As this framework agreement relates to public works contracts, the value of the proposed framework means that the UK Public Contracts Regulations will not apply to the procurement of the framework agreement as it is below the EU procurement threshold. However, the procurement process must be run in accordance with EU Treaty Principles and be subject to adequate advertising and fair competition. The tender will be scored on the criteria of quality and price as part of the evaluation process.

Lawyer Consulted: Elizabeth Culbert Date: 23 February 2015

Equalities Implications:

- 6.8 The Council's Code of Practice on Equalities and Workforce Matters is enforced in all procurement and is incorporated within the framework.

Sustainability Implications:

- 6.9 Sustainability is promoted in all highway engineering contract procurement. Specifications allow for recycling and development of sustainable processes. Contractors are required to have current ISO14001 certification or a recognised equivalent.
- 6.10 The contractor will be required to demonstrate the sustainable use of timber in line with Government requirements
- 6.11 Living wage: it is Council policy that the Outer London Living Wage (OLLW), set by the Living Wage Foundation, be paid as a minimum salary to the Contractor's staff employed to carry out any call-off contracts under this framework.

- 6.12 OLLW increases will be implemented and paid immediately and recharged to the Client accordingly.

Crime & Disorder Implications:

- 6.13 There are no Crime & Disorder implications arising directly as a result of this report.

Risk and Opportunity Management Implications:

- 6.14 There are risks involved in failing to fulfil the Council's statutory duty as Highway Authority to maintain the public highway in accordance with the Council's approved Highway Maintenance Plan. Failure to maintain highway structures could adversely affect the highway asset leading to increasing rates of structural 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.
- 6.15 Failure to adequately manage coast defences may lead to coastal erosion, property damage, service disruption, risk to life and potential insurance claims against the Council. It will also harm the visual aspect and attractiveness of the city, together with the tourism value of the city's beaches. The Council therefore wishes to continue to maintain its coast defences and to have control over the standards and appearance of its beaches and promenades.

Public Health Implications:

- 6.16 The maintenance of the City's beaches and promenades for public access encourages outdoor activities such as walking, jogging, swimming etc. and addresses the negative issues outlined in 6.15 above.

Corporate / Citywide Implications:

- 6.17 Approval to procure this framework agreement will enable coast protection and highways structure maintenance works to be undertaken throughout the city without the need to undertake further individual tendering procedures.

Any other significant implications

- 6.18 None

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 In approving the procurement and award of this framework agreement, the Council will have the means not only to fulfil its statutory duties but also help deliver corporate priorities.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None

Background Documents

None

Subject:	Procurement of Schools Management Information Systems (MIS)		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources and Executive Director of Children's Services		
Contact Officer:	Name:	Mark Watson	Tel: 291585
	Email:	mark.watson@brighton-hove.gov.uk	
Ward(s) affected:	All		

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

- 1.1 This report seeks authority for the Council to access a framework agreement between East Sussex County Council (ESCC) and the software supplier Capita Business Services Limited ('Capita') for the supply of schools management information systems (the 'ESCC Framework Agreement'). The Council participated in the selection and evaluation process for the ESCC Framework Agreement and is one of three local authorities in addition to ESCC, entitled to access the ESCC Framework Agreement.
- 1.2 Maintained schools will have the option to select the management information systems being provided under the ESCC Framework Agreement via the School ICT Service within the Council's 'Services to Schools' portfolio.

2. RECOMMENDATIONS:

That Policy & Resources Committee authorise the Executive Director Finance & Resources to:

- 2.1 Award a call-off contract between the Council and Capita under the ESCC Framework Agreement for the provision of management information systems ('MIS') for maintained schools in Brighton & Hove for a period of four years. MIS are the primary suite of integrated business software applications for schools, covering all aspects of school management ranging from pupil admissions, registration, timetabling and assessment through to school financial management and human resources management. The aggregated data held in the MIS form the basis of school statutory returns and corporate management information.
- 2.2 Extend the initial term of the call-off contract for up to an additional two years, if the Executive Director Finance & Resources considers that it is still delivering value for money.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Council offers a variety of services to schools within its boundaries including ICT software licensing and support services. All schools require specialist MIS to enable the fulfilment of their statutory data obligations for central government and the local authority, as well as to support day-to-day functions in school.
- 3.2 The Council, in common with other South East 7 (SE7) authorities and the majority of local authorities nationally, procure software licensing for the schools MIS centrally, to achieve the best possible value for money. Individual schools then choose whether to select services from the Council.
- 3.3 The Council has supplied a MIS service to schools for a number of years. However, in order to ensure that the Council and in turn local schools were assured of the best value for money, it was decided that a new competition for the supply of MIS for schools was needed.

Procurement Strategy

- 3.4 The Council set out to select and procure a supplier of a MIS for schools in line with the requirements of the schools within Brighton & Hove.
- 3.5 During the market research phase of the procurement planning it became clear that other Local Authorities (LAs) were in a similar position. In accordance with the SE7 Procurement strategy, a collaborative approach was adopted with other interested authorities - East Sussex County Council, Kent County Council and Surrey County Council. This collaborative procurement sought to achieve best value by pooling the requirements of the four LAs to drive value through procuring a framework agreement, awarded to a single supplier, that all LAs could access.
- 3.6 The ESCC framework Agreement procurement was led by East Sussex County Council and the framework agreement was awarded to Capita following a compliant procurement process in line with European procurement regulations for the public sector, including advertising in the Official Journal of the EU (OJEU).
- 3.7 The ESCC Framework Agreement has now been executed by ESCC and Capita. The Council is therefore in a position to call off services available on it, by way of a call-off contract specific to Brighton & Hove maintained schools. The term of the call-off contract will be four years with an option for a further two year extension. The pricing for the call-off contract is calculated annually on pupil numbers for the schools choosing to buy the Council's service. If schools choose not to buy service there is no charge to the schools or to the Council..

Funding

- 3.8 The table below illustrates the estimated value per annum of the call-off contract between the Council and Capita, for the provision of MIS software for schools. MIS contract costs have historically been and will continue to be, fully funded by schools.

- 3.9 Estimates are based on the number of pupils on roll in the current year and numbers of schools buying service. Previous years have not varied significantly.
- 3.10 Procurement through the ESCC Framework Agreement entitles the Council to a discount calculated as follows:

A freeze on per pupil costs from the commencement of the Council's award of a call-off contract under the ESCC Framework Agreement, so that for 2015/2016 pupil prices are held at the 2014/2015 rates;
Deducting 1% from the Retail Price Index (RPIX) as at 30th September each year and applying the resultant % increase to the pupil prices.

- 3.11 There is a cap of 4% on the RPIX increase within the term of the call-off contract.

The table shows a projected yearly increase of the maximum 4% for the 4 years of the initial term. This assumes a stable position in school and pupil numbers and is for illustration only.

Projected Expenditure

2014/15 actual	2015/16	2016/17	2017/18	2018/19	Total spend for 4 years
£123,087	£123,750*	£128,700	£133,848	£139,202	£525,500

*Prices frozen at 2014/15 levels but higher pupil numbers than in 2014/15

Resources

- 3.12 Monies paid to Capita in respect of the MIS for schools form part of a buyback under the Council's 'Services to Schools' and are supplemented at the point of purchase by a set of wraparound services from the Council, enabling schools to make the most of their investment.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 An alternative to accessing the ESCC Framework Agreement would be to run a separate procurement for the Council only.
- 4.2 Choosing to procure separately is unlikely to achieve improved value for money. The purchasing power of the various authorities who have collaboratively procured the ESCC Framework Agreement should ensure that greater value for money can be achieved which would not otherwise be possible for the Council alone to achieve. The three other authorities included in the process have an additional 1042 schools between them.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Schools were consulted and given the option not to be named in the procurement.

- 5.2 Schools were advised that obtaining a MIS from the Council accessing the ESCC Framework Agreement would not commit them to spend on a longer term basis than currently.

6. CONCLUSION

- 6.1 This is a low risk approach which brings in savings for the Council and schools through the contract pricing and shared procurement costs. The ability for the Council to remove individual schools from the call-off contract without negative consequences for the pricing of others is also important, as there is unknown potential growth in Academy and Free School numbers during the ESCC Framework Agreement term.
- 6.2 In terms of ongoing supplier relationship and contract management, the joint procurement of a framework agreement puts the four authorities in a strong position to ensure continued value for money is delivered under the ESCC Framework Agreement throughout the term of its operation
- 6.3 There are no future cost implications for the Council or for schools as the proposed call-off contract is for MIS systems that are already in use in schools. There are no additional change, migration or upgrade costs.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Procurement through the ESCC Framework entitles the Council to a discount based on a freeze on per pupil costs from the commencement of the ESCC agreement. The call off contract will commence on 1st April 2015 and will run for 4 years with a possibility of a 2 year extension. This freeze should result in a saving of £44,726 over the 4 year period for the call off pricing when compared to the standard pricing based on estimated current pupil numbers.
- 7.2 The cost of the contract will be met from the existing school ICT general fund revenue budget within the 2015/16 financial year onwards. The cost does not exceed that of the current contract and is therefore considered affordable within the existing budget. Schools have been fully consulted on this proposal
- 7.3 The control of the contract will comply with the financial regulations of the council.

Finance Officer Consulted: John Timson

Date: 12/02/15

Legal Implications:

- 7.4 The authority of Policy & Resources Committee is required for matters with corporate budgetary implications, such as the award of the MIS software call-off contract by the Council for the benefit of schools for which the costs are going to exceed £500,000. Accordingly the committee is entitled to agree the recommendations at section 2 above.

- 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.
- 7.6 The procurement of contracts through framework agreements must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders. Legal officers will be advising on this aspect once the committee has authorised the Executive Director, Finance & Resources on the terms set out in section 2 recommendations above.

Lawyer Consulted: Oliver Dixon

Date: 11/02/15

Equalities Implications:

- 7.7 An Equalities Impact Assessment has not been carried out as there is no material change to the systems used and this is a contract change only.

Sustainability Implications:

- 7.8 None.

Crime & Disorder Implications:

- 7.9 None.

Risk and Opportunity Management Implications:

- 7.10 This procurement offers the opportunity to:
- Achieve financial savings and ongoing closer working with the SE7 authorities concerned.
 - Achieve value for money and strengthened supplier influence.
 - Prevent the risk of challenge from the market.

Public Health Implications:

- 7.11 None.

Corporate / Citywide Implications:

- 7.12 This report sets out the required approach to ensure that the council continues to support schools in their improvement and to optimise financial efficiency. There are no known citywide implications.

Any Other Significant Implications:

- 7.13 The Council already has long established strong relations with its schools and this is evidenced on the schools' side through the sustained high level of buyback to the 'Services to Schools' offerings and on the Council's side by demonstrating its ongoing commitment to an integrated support model. This procurement, for a software product that underpins a wide range of school and Council services, is of benefit to schools, ensuring that they gain value from the Council's procurement strategy and expertise and receive preferred pricing for the period of the call-off contract .

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None.

Background Documents

None.

Subject:	Review of the Council's Constitution 2015		
Date of Meeting:	19 March 2015 – Policy & Resources Committee 26 March 2015 – Council		
Report of:	Monitoring Officer		
Contact Officer:	Name:	Abraham Ghebre-Ghiorghis	Tel: 29-1515
	Email:	abraham.ghebre-ghiorghis@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report proposes changes to the Council's Constitution for approval by P&R and Council. The issues set out in the report have been reviewed by a cross party Constitution Working Group and include proposed changes to overview and scrutiny, establishing an advisory member procurement board, better use of technology for council meetings and modifications to the delegations to officers and committees.

2. RECOMMENDATIONS:

That **Policy and Resources Committee:-**

- 2.1 Recommends to full Council the proposed changes to the Council's constitution as set out in paragraphs 3.4 to 3.6 and Appendix 1 relating to Overview & Scrutiny arrangements and policy panels;
- 2.2 Approves the proposals set out at paragraph 3.7 and Appendix 2 to the report relating to establishing a Member Procurement Advisory Board;
- 2.3 Approves the proposals set out at paragraph 3.8 – 3.9 of the report relating to exploring remote attendance at meetings in specified circumstances;
- 2.4 Approves the proposals set out at paragraph 3.10 of the report relating to the use of electronic agendas;
- 2.5 Approves the proposals set out at paragraph 3.11-3.13 of the report relating to changes to the scheme of delegations to officers and committees.

That **Full Council:-**

- 2.6 Approves and adopts the proposed changes to the Council's constitution recommended in paragraphs 3.4 to 3.6 and Appendix 1 of the report, relating to Overview & Scrutiny Arrangements and policy panels;

- 2.7 Authorises the Chief Executive and Monitoring Officer to take all steps necessary or incidental to the implementation of the changes agreed by the Policy & Resources Committee and Council and that the Monitoring Officer be authorised to amend and re-publish the Council's constitutional documents to incorporate the changes.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 When Brighton & Hove City Council adopted its new constitution in May 2012, it was recognised that the arrangements would need to be kept under review to ensure that they remain relevant, reflect the design principles and that they are kept up-to-date with changes. Since the introduction of the committee system, the Council has taken a number of measures to ensure the arrangements remain effective while, at the same time, ensuring that they are as streamlined as possible and avoid duplication.
- 3.2 In the last couple of years, the Council has introduced the tenant scrutiny panel and revised and enhanced the role of the Health & Wellbeing Board to provide city-wide system leadership on health, social care and wellbeing. We have seen the merger of the Transport and Environment & Sustainability Committees and the merger of the Adult Social Care Committee with Health & Wellbeing. We reviewed and enhanced the role of the Housing Tenant Area Panels and discontinued the Housing Management Sub-committee. All these measures were designed to ensure the system remains as streamlined and efficient as possible, whilst retaining high level of openness and transparency. We still have one of the highest levels of public participation in terms of public questions, deputations and petition.
- 3.3 The Cross-Party Member Working Group on the Constitution, consisting of Councillors Littman, Peltzer Dunn and Morgan meets periodically to review proposals for change. The proposals set out below were discussed at meetings of the Working Group on 12th January and 6th March 2015.

Changes to Overview & Scrutiny

- 3.4 The current constitutional arrangements reflect the design principles agreed when we moved to a committee system. As stated above, the decision-making arrangements were made as open and transparent as possible. Chairs meetings were opened to opposition spokespersons and a number of ad-hoc cross-party briefings took place. This, coupled with the fact that the Council is in no overall control, has ensured a high level of robust cross-party scrutiny and challenge within the policy committees themselves. There is therefore a need to ensure that there is no duplication and that the system remains as streamlined as possible.
- 3.5 There are statutory requirements in relation to health scrutiny and also in relation to flood defence and crime and disorder. Outside of these core areas, the Council has flexibility as to whether or how it operates a scrutiny arrangement. This is because the scrutiny function was designed as a check and balance to the cabinet system, where a small number of councillors, potentially from a single Party, carry all of the executive decision making powers of the Council. In a committee system, political proportionality rules apply and the majority of

councillors are involved directly in decision making. In-depth scrutiny takes place in committees at the point of decision making.

3.6 Taking the above into account, it is proposed to review the current Overview & Scrutiny procedures and to streamline the arrangements in recognition of the fact that robust scrutiny takes place at committee meetings. The current arrangements will cease to exist and be replaced with the following:-

- An Overview & Scrutiny Committee will be retained primarily to meet the statutory requirements of the National Health Service Act 2006 (amended by the Health and Social Care Act 2012) but will also have the power to undertake residual overview and scrutiny work and oversee the co-ordination of the work of the policy panels commissioned by Policy Committees. The powers of the committee will include the ability to scrutinise matters relating to the health of the Council's population and to make reports and recommendations to the NHS, the Council, its committees and other relevant bodies. It will also provide the mechanism through which the Council responds to NHS consultations and any referrals from Healthwatch.
- The Overview & Scrutiny Committee will monitor the implementation of scrutiny recommendations that are outstanding.
- The Council will continue to meet its responsibilities in relation to flood and erosion risk scrutiny under the Localism Act 2011. In practice there have hardly been any issues coming to scrutiny on this matter and it is therefore proposed that this remains within the remit of the Overview & Scrutiny Committee rather than establish a separate committee.
- The ability for councillors to refer crime and disorder matters to a Committee will continue, with the Overview & Scrutiny Committee being the designated Crime & Disorder Committee as required under the Police and Justice Act 2006. The presence of the Community Safety Forum means there is no need to create a dedicated scrutiny committee to deal with this.
- The terms of reference for Policy Committees will be amended to include the ability to commission time limited 'task and finish' style policy panels. The policy panels will enable committees to undertake policy review and development work on matters which fall within their terms of reference. This work will be supported by officers from the relevant Directorate. There will also be some limited capacity retained within the Policy Team to support this work. The Policy Committees will need to ensure that the number of policy panels they appoint do not exceed the member and officer resources available to support their work. The Overview & Scrutiny Committee will oversee the co-ordination of this work and make recommendations to the Policy Committees, in particular where policy panels cut across the remit of more than one committee.
- There will continue to be a facility for call in of decisions and 'Councillor Call for Action'. This will be done via an urgency sub-committee of the Overview & Scrutiny Committee consisting of 3 Members.
- The above arrangements are designed to enable the statutory scrutiny elements to continue within the limits of the available resources and the non-statutory

policy review elements to be delivered within a new framework through the policy committees themselves but with a co-ordination overview through the Overview & Scrutiny Committee.

- The current scrutiny procedures will apply, with modifications as necessary to reflect the above changes.

A copy of the draft amended terms of reference is attached at Appendix One.

Establishing a Member Procurement Advisory Board.

- 3.7 Over the next 3-5 years, the Council will be undertaking a high number of procurement exercises as part of the need to review services and to focus on achieving value for money. It is important that there is a group of Members who are trained in the law, finance and practical procurement issues in this complex area. This will enable procurement matters to receive focused review and ensure that the Council is able to achieve the maximum benefit from procurement opportunities as they arise. The Members would constitute an Advisory Board that advises and reports to the Policy & Resources Committee, or other relevant Committee.

The draft proposed Terms of Reference for the Board are attached at Appendix Two. It is proposed to review the operation of the Advisory Board after a period of 12 months (or earlier if considered appropriate).

Introducing the option of virtual meetings under the Sustainable Communities Act

- 3.8 Currently, local authorities operating an executive system have the option of Executive Councillors being able to make decisions without attending public meetings. The majority of local authorities are run in this way. In a committee system, all Member level decisions have to be taken at a meeting of full council or a committee or a sub-committee meeting in public or with all Members physically present before they are allowed to vote. This is restrictive for Members and limiting in terms of those who are able to participate in decision making.
- 3.9 It is proposed to lobby the government using flexibilities under the Sustainable Communities Act to allow meetings of the Council, in certain defined and exceptional cases, to take place remotely by teleconference or video link. It is proposed that this could be where the Chief Executive and the Mayor were satisfied that there was a need for virtual attendance. This could start on an experimental basis and be adopted more widely if considered a better option. The technological feasibility of the proposal is being evaluated but early indications are that this is not difficult to arrange.

The development of arrangements for the use of electronic agendas

- 3.10 In addition, a further modernisation initiative that will be pursued is the increased use of electronic agendas. It is hoped that this work will lead to all Members and officers having the option of using an electronic agenda, resulting in significant savings.

Changes to the Scheme of Delegations to Officers

- 3.11 The Care Act 2014 consolidates a number of Acts of Parliament relating to adult social care services. It also introduced new requirements. The Health & Wellbeing Board continues to receive reports on these. In the meanwhile, the delegations to the Executive Director of Adult Social Services in the Council's constitution need to be updated to reflect the change in legislation. It is therefore proposed to amend the scheme of delegations as shown in Appendix 3 to this report.

Changes to the Scheme of Delegations to Committees - Corporate Parenting Board

- 3.12 The Corporate Parenting Board is currently an Advisory Board reporting to Policy & Resources Committee. This arrangement was established in 2013 in order to ensure that the Council's duties as Corporate Parent retained a high profile. The role, scope and membership of the Health & Wellbeing Board has now been significantly developed and it is proposed that the Corporate Parenting Board should report to it. This would be consistent with the Children's and Safeguarding functions of the Health & Wellbeing Board and would ensure that our Health Partners are able to be fully engaged in the commitment to improving outcomes for children in care and care leavers.
- 3.13 The role of the Corporate Parenting Board is summarised below.

To ensure that the Council and its partner agencies have a joint commitment to:-

- (a) Achieving improved outcomes for children in care and care leavers;
- (b) Developing and overseeing implementation of the Corporate Parenting Strategy to drive improved outcomes;
- (c) Providing challenge to ensure that the Council's duties.

The Board would report to the Health and Wellbeing Board at least twice annually.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The Council could decide not to implement some or all of the changes set out in the report. Where this has budget implications, funding would need to be identified.

5. COMMUNITY ENGAGEMENT AND CONSULTATION

- 5.1 The Cross Party Constitutional Working Group have been consulted and Leaders group informed of the proposals set out in the report. Where proposals will impact on staff, this will be undertaken in accordance with the Council's Change Management Procedure.

6. CONCLUSION

- 6.1 The proposals reflect an approach to achieve both financial savings and increased efficiency and it is therefore recommended that they are pursued.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The proposed changes to the Overview & Scrutiny Committee will provide a reduced cost as a result of reduced officer support. This saving has been built into the Council's revenue budget requirement for 2015/16. The proposal to introduce virtual meetings will also provide potential savings but will be subject to further work to determine the full effect of the savings.

Finance Officer Consulted: Rob Allen

Date: 19/2/15

Legal Implications:

- 7.2 The proposals in relation to Overview & Scrutiny are consistent with the legal requirements for scrutiny arrangements in a committee system, in particular the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013.

Where staff are affected by proposals, appropriate consultation arrangements must take place and the proper procedure followed in accordance with the Council's own policies, the ACAS Code of Practice and the law, including the Trade Union and Labour Relations (Consolidation) Act 1992.

Lawyer Consulted: Elizabeth Culbert

Date: 19/2/15

Equalities Implications:

- 7.3 There are no direct equalities implications arising from this report. However, as the options work continues, any arising needs will be identified and met. In particular, modernisation work which involves an increased use of technology will need to include in its development the consideration and mitigation of any equalities impact.

Sustainability Implications:

- 7.4 None identified

Any Other Significant Implications:

- 7.5 None identified

SUPPORTING DOCUMENTATION

Appendices:

1. Proposed Terms of Reference Overview & Scrutiny Committee
2. Proposed Terms of Reference Member Procurement Board
3. Amendments to Scheme of Delegations to Officers

PART 5 BRIGHTON & HOVE CITY COUNCIL

OVERVIEW & SCRUTINY COMMITTEE

TERMS OF REFERENCE AND PROCEDURE RULES

1. Arrangements for Scrutiny

- 1.1 The Council will appoint an Overview & Scrutiny Committee to perform the statutory Overview & Scrutiny functions in relation to health, crime and disorder and flood risk. The Committee will also:-
- have the power to undertake wider Overview & Scrutiny work;
 - oversee and co-ordinate the work of policy panels commissioned by policy committees;
 - monitor the implementation of outstanding scrutiny recommendations; and
 - administer the call-in procedure for the Council through an urgency sub-committee.

2. Terms of Reference of the Overview & Scrutiny Committee

- 2.1 To exercise powers with regard to the scrutiny of health services pursuant to the National Health Service Act 2006 and in particular:-
- To scrutinise matters relating to the planning, provision and operation of the health service in the Authority's area and contribute to the development of policy and services to improve health and reduce health inequalities;
 - To comment on proposals for a substantial development or variation in the provision of the health service in the Authority's area in accordance with the requirements of the National Health Service Act 2006 and associated Regulations;
 - To review and scrutinise the impact of the Authority's own services and of key partnerships on the health of its population;
 - To encourage the Council as a whole to take into account the implications of their policies and activities on health and health inequalities;
 - To make reports and recommendations to the National Health Service, the Council, the committees and sub-committees, and to other relevant bodies and individuals;
 - To monitor and review the outcomes of its recommendations.

In all of the above, to liaise with other bodies that represent patients' views in order to seek and take account of the views of the local populations.

- 2.2 To undertake the scrutiny of flood and coastal erosion plans as required by the Localism Act 2011;
- 2.3 To be the designated Crime and Disorder Committee as required under the Police and Justice Act 2006;
- 2.4 To review and scrutinise matters, decisions and service provision relating to Council functions and services not covered by paragraphs 2.1-2.3 above;
- 2.5 To monitor the outcome of Overview & Scrutiny recommendations;
- 2.6 To have the power to establish an urgency sub-committee to administer the call in of policy committee decisions in accordance with these Overview & Scrutiny Committee Terms of Reference and Procedure Rules.

3. Functions of the Overview & Scrutiny Committee

- 3.1 The Overview & Scrutiny Committee will:
 - a) Approve a scrutiny and review work programme, to ensure that there is efficient use of resources and that the potential for duplication of effort is minimised;
 - b) Receive consultations for comment from an NHS body or relevant NHS service provider pursuant to the NHS Act 2006 and associated Regulations;
 - c) Receive requests from Councillors and partner organisations, and suggestions from officers of the council, for particular topics to be scrutinised and determine the appropriate action;
 - d) Have the power to call-in and review policy committee decisions, or key decisions made by an officer with delegated authority, as set out in the these Rules;
 - e) Oversee the work and monitor the recommendations of Policy Panels commissioned by policy committees to undertake time limited policy reviews;
 - f) Co-ordinate training and development arrangements for Overview & Scrutiny Committee members and co-optees;
 - g) Monitor and review the outcomes of Overview & Scrutiny recommendations.

- h) Ensure that the communities of Brighton & Hove and specific users of services are able to be involved in and inform the work of the committee.
- i) Appoint an Urgency Sub-Committee as necessary to exercise its powers. The Membership of such Urgency Sub-Committee shall consist of the Chair of the Committee and two other Members nominated by Leaders, to meet the requirements for the allocation of seats between political groups. Such Urgency Sub-Committee may exercise its powers in relation to matters of urgency on which it is necessary to make a decision before the next ordinary meeting of the Committee. Every decision of the Urgency Sub-Committee shall be reported for information to the next ordinary meeting of the Committee as appropriate.

4. Policy Panels

- 4.1 Any Policy Committee may appoint Policy Panels to carry out short, sharply focused pieces of policy review and development work. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration.
- 4.2 All proposals to establish Policy Panels will be discussed at an Informal Chairs' Meeting to assist in managing the available resources and to identify cross-cutting issues. Where cross-cutting issues are identified, these will be referred to the Overview & Scrutiny Committee, or Overview & Scrutiny Urgency Sub-Committee, to agree the best approach with a view to avoiding duplication and ensuring an effective use of Policy Panel resources.
- 4.3 Policy Panels will not have Sub-Committee status and the political balance rules in section 15 of the Local Government and Housing Act 1989 will not apply, but they will normally be established on a cross-party basis. The Policy Panel will report to the Policy Committee that commissioned its work and will also provide a copy of their report to the Overview & Scrutiny Committee. The Overview & Scrutiny Committee will monitor the implementation of recommendations of Policy Panels.
- 4.4 Membership of the Policy Panels will be sought from the political groups, taking into account the expertise and experience of available Members. Co-optees may be appointed to the Policy Panels as set out at paragraph 7 below.
- 4.5 There should not normally be provision for substitute Members to attend meetings of Policy Panels.

- 4.6 The relevant Policy Committee shall ensure that the number of Policy Panels commissioned does not exceed the capacity of the Member and Officer resources available to support their work.
- 4.7 In considering whether or not any matter should be agreed for a Policy Panel, the relevant Policy Committee will have regard to:
- The importance of the matter raised and the extent to which it relates to the achievement of the Council's strategic priorities, the implementation of its policies or other key issues affecting the well being of the City or its communities;
 - The potential benefits of a review especially in terms of possible improvements to future policies and procedures and/or the quality of Council services;
 - The proposed Overview & Scrutiny approach (a brief synopsis) and resources required,
 - The resources available to support the work as set out at paragraph 4.5 above.

6. Membership of the Overview & Scrutiny Committee

- 6.1.1 Membership of the Overview & Scrutiny Committee will reflect the political composition of the Council and be subject to section 15 of the Local Government and Housing Act 1989. No member of the Council's Health and Wellbeing Board may be a member of the Overview & Scrutiny Committee. No Councillor may be involved in scrutinising a decision in which s/he has been directly involved.

7. Co-optees

- 7.1 The Overview & Scrutiny Committee will include non voting co-opted members from the Older People's Council, the Youth Council and LINK/Healthwatch.
- 7.2 The relevant Policy Committee may agree the appointment of non voting co-optees for each Policy Panel. In appointing co-opted Members to Policy Panels, regard will be given to both the expertise of the individual and the representative nature of the position.

8. Meetings of the Overview & Scrutiny Committee

- 8.1 The Overview & Scrutiny Committee will meet six times per annum. In addition, an extraordinary meeting may be called by the Chair or the Chief Executive at any time if they consider it necessary or desirable.
- 8.2 Policy Panels shall meet as many times as necessary to successfully carry out their investigations, they shall however be time limited in nature.

9. Quorum

- 9.1 The quorum for Overview & Scrutiny Committee meetings shall be as set out for committees and sub-committees in the Council Procedure Rules in Part 3 of this Constitution.

10. Chair of Overview & Scrutiny Committee and Policy Panels

- 10.1 The Council will appoint the Chair of the Overview & Scrutiny Committee.
- 10.2 The relevant Policy Committee will appoint the Chair of any Policy Panels it establishes.
- 10.3 If the relevant Policy Committee fails to appoint a Chair, the Policy Panel will make the appointment at its first meeting.

11. Work programme

- 11.1 The Overview & Scrutiny Committee will be responsible for setting its own work programme.

12. Agenda items

- 12.1 Agenda items shall be set by the Overview & Scrutiny Committee identifying issues which they wish to consider.
- 12.2 Any Member of the Council may notify Democratic Services that s/he wishes an item relevant to the functions of the Overview & Scrutiny Committee to be included on the agenda for the next available meeting of the Committee.

13. Submission of reports from Overview & Scrutiny Committee

- 13.1 Once it has formed recommendations on any matter, the Overview & Scrutiny Committee will prepare a formal report and submit it to the Chief Executive of the Council or relevant organisation for consideration at the relevant decision-making body.
- 13.2 If the Overview & Scrutiny Committee cannot agree on one single final report then up to one minority report may be prepared and submitted for consideration by the relevant Policy Committee meeting with the majority report.
- 13.3 The relevant Policy Committee shall consider the report within eight weeks of it being submitted to the Chief Executive or at its next scheduled meeting, whichever is the later, and shall prepare a response to the recommendations detailing whether each recommendation is agreed or not agreed.

13.4 The Chair of the Overview & Scrutiny Committee shall be invited to the Committee meeting at which the report is considered. .

14. Councillor Call for Action

14.1 The “Councillor Call for Action” (CCfA) as set out in Section 119 of the Local Government and Public Involvement in Health Act 2007 and amended by the Localism Act 2011 enables any member of the council to refer to an Overview & Scrutiny committee any local issue which directly affects their ward.

14.2 A CCfA should only be raised where other means of resolving the matter have been exhausted. Any Member of the Council may raise a CCfA, which should be sent to the Democratic Services. In seeking to raise a CCfA a Councillor needs to:

- State why they consider the issue should be looked at by the Overview & Scrutiny Committee;
- Give a brief synopsis of what the main areas of concern are;
- Supply evidence in support of the CCfA;
- Indicate areas or groups affected by the CCfA;
- Summarise mediation and attempts at resolution undertaken;
- Indicate deadlines associated with the CCfA of which the Health Scrutiny Committee needs to be aware.

14.3 Upon receipt of a CCfA, the Overview & Scrutiny Committee, or Overview & Scrutiny Urgency Sub-Committee if the matter is urgent, will use the following criteria to decide whether or not to take the matter further:

- Is the committee satisfied that all reasonable attempts have been made to resolve the issue by the ward councillor? Do the responses received by the referring councillor demonstrate that the matter is not being progressed?
- Has the committee considered a similar issue recently – if yes, have the circumstances or evidence changed?
- Is there a similar or related issue which is the subject of a review on the current work programme? It may be more appropriate to link the new issue to an existing review, rather than hold a separate CCfA hearing.
- Relevant time pressures on resolving the CCfA should be taken into account.
- Have all relevant service areas or partner organisations been informed and been given enough time to resolve the issue? What response has the councillor received?
- Does the matter referred have the potential for recommendations which could realistically be implemented and lead to improvements for anyone living or working in the referring member’s ward?

- Is the matter an excluded matter, as set out in paragraph 14.9 of these Rules.
- 14.4 In considering the CCfA, the Overview & Scrutiny Committee will invite the relevant Members and officers to discuss the issue and answer any questions, if the committee considers this relevant.
- 14.5 If the committee decides not to accept the CCfA referral it must inform the Councillor and provide reasons. If the committee decides to accept the CCfA referral, it must decide how it intends to take the matter forward and include the CCfA in its work programme.
- 14.6 The Overview & Scrutiny Committee, in considering a CCfA, may undertake any of the activities as outlined in the Overview & Scrutiny Committee Terms of Reference and Procedure Rules.
- 14.7 The power to refer a matter is available only where the matter is of direct concern to the ward which the Councillor represents. A Councillor can refer a matter even if no citizen has asked him/her to consider it.
- 14.9 The following matters are excluded from referral as a CCfA:
- Individual complaints concerning personal grievances or commercial issues.
 - Any matter relating to an individual or entity where there is already a statutory right to a review or appeal (other than the right to complain to the Local Government Ombudsman), for example:
 - § Planning and licensing applications and appeals;
 - § Council Tax/Housing Benefits complaints and queries;
 - § Issues currently under dispute in a court of law.
 - Any matter which is vexatious, discriminatory or not reasonable to be included on the agenda for, or to be discussed at, a meeting of the Overview & Scrutiny Committee.

15. Call-in

- 15.1 Call-in is a process by which the Overview & Scrutiny Committee can recommend that a decision made by a Policy Committee but not yet implemented be reconsidered by the body which made the decision, or recommend that the full Council consider whether that body should reconsider the decision.
- 15.2 Call-in does not provide for the Overview & Scrutiny Committee or the full Council to substitute its own decision, but merely to refer the matter back to the decision-maker. A decision maker can only be asked to reconsider any particular decision once.

- 15.3 Call-in should only be used in very exceptional circumstances – for example where Members have evidence that a decision was not taken in accordance with Article 11 of the constitution. Day to day management and operational decisions taken by officers may not be called-in.
- 15.4 Any decision made by a Policy Committee, or a key decision made by an officer under delegated powers, shall be published by means of a notice at the main offices of the Council (Kings House – room 131, Brighton Town Hall - reception, Hove Town Hall - reception) and where possible by electronic means, normally within 2 working days of being made. All Members will be sent, if possible by electronic means, copies of all such decision notices at the time of publication.
- 15.5 Any decision made by the Policy Committee, or a key decision made by an officer under delegated powers, may be called in up to five working days from the date of the meeting at which the decision was taken.
- 15.6 During this period, any five Members of the Council, from a minimum of two political groups, may request that a decision be called-in for Scrutiny.
- 15.7 Such a request shall be made in writing to the Chief Executive and shall include the reason(s) for the request and any alternative decision proposed. The Chief Executive may refuse to accept a request which in his/her opinion is frivolous, vexatious or defamatory, or where no reason is given.
- 15.8 If the Chief Executive accepts the request he/she shall call-in the decision. This shall have the effect of suspending the decision coming in force and the Chief Executive shall inform the decision maker e.g. Committee Members, or officer and the relevant Director of the call-in. The Chief Executive shall then call a meeting of the Overview & Scrutiny Urgency Sub-Committee to scrutinise the decision, where possible after consultation with the relevant Chair, and in any case within 7 working days of accepting the call-in request.
- 15.9 In deciding whether or not to refer a decision back, the Overview & Scrutiny Urgency Sub-Committee shall have regard to:
- any further information which may have become available since the decision was made
 - the implications of any delay; and
 - whether reconsideration is likely to result in a different decision.
 - The importance of the matter raised and the extent to which it relates to the achievement of the Council's strategic priorities,
 - Whether there is evidence that the decision-making rules in the constitution have been breached;
 - that the agreed consultation processes have not been followed;

- or that a decision or action proposed or taken is not in accordance with a policy agreed by the Council;
 - What other avenues may be available to deal with the issue and the extent to which the Councillor or body submitting the request has already tried to resolve the issue through these channels (e.g. a letter to the relevant Member, the complaints procedure, enquiry to the Chief Executive or Director, Council question etc.)
- 15.10 If, having scrutinised the decision, the Overview & Scrutiny Urgency Sub-Committee is still concerned about it, then it may refer it back to the decision making body for reconsideration, setting out in writing the nature of its concerns. If it considers the decision is contrary to the policy framework or budget agreed by the Council, the matter may be referred to the full Council to determine whether or not it should be referred back to the decision making body.
- 15.11 If the Overview & Scrutiny Urgency Sub-Committee does not meet within 7 working days of the Chief Executive accepting a call-in request, or does meet but does not refer the matter back to the decision making body or to the Council, the decision shall take effect on the date of the Overview & Scrutiny Urgency Sub-Committee meeting, or the expiry of the period of 7 working days from the call-in request being accepted, whichever is the earlier.
- 15.12 If the decision is referred back to the decision making body, that body shall then reconsider, either at its next programmed meeting or at a special meeting called for the purpose, whether to amend the decision or not before reaching a final decision and implementing it.
- 15.13 If the Overview & Scrutiny Urgency Sub-Committee refers the matter to full Council and the Council does not object to a decision which has been made, then no further action is necessary and the decision will be effective in accordance with the provision below. However, if the Council does object, the Council will refer any decision to which it objects back to the decision making body, together with the Council's views on the decision. In this case the decision making body shall consider, either at its next programmed meeting or at a special meeting convened for the purpose, whether to amend the decision or not before reaching a final decision and implementing it.
- 15.14 If the Council does not meet within two weeks of the matter being referred to it, or if it does meet but does not refer the decision back to the decision making body or person, the decision will become effective on the date of the Council meeting or expiry of that two week period, whichever is the earlier.

16. Call-in and urgency

- 16.1 The call-in procedure set out above shall not apply where the decision being taken is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. The record of the decision, and notice by which it is made public, shall state if in the opinion of the decision making body the decision is an urgent one and subject to the agreement of the Chief Executive, or in his/her absence the officer acting for him, such a decision shall not be subject to call-in.
- 16.2 The Chief Executive or the Officer acting on his/her behalf shall consult the leaders of the Political Groups before agreeing to the exemption. Any decision to which the call-in process does not apply for reasons of urgency must be reported to the next available meeting of the Council, together with the reasons for urgency.
- 16.3 The operation of the provisions relating to call-in and urgency shall be monitored annually, and a report submitted to the Overview & Scrutiny Committee with proposals for review if necessary.

17. Call In and Joint Committees

- 17.1 The principle of call in applies to decisions made by Joint Committees on which the Council is represented. The detailed arrangements relating to call in of Joint Committee decisions shall be agreed between the constituent authorities and included in the Constitution of the Joint Committee.

18. Matters excluded from review by the Overview & Scrutiny Committee

- 18.1 The Overview & Scrutiny Committee should not review individual decisions made in respect of development control, licensing, registration, consents and other permissions. The Overview & Scrutiny process is not an alternative to normal appeals procedures.
- 18.2 The Overview & Scrutiny process is not appropriate for issues involving individual complaints or cases, or for which a separate process already exists e.g. personnel/disciplinary matters, ethical matters or allegations of fraud.

MEMBER PROCUREMENT ADVISORY BOARD

Terms of Reference

1. Purpose

The purpose of the Member Procurement Advisory Board ('the Board') is to advise the Policy & Resources Committee and other relevant Policy Committees on procurement matters, facilitating lawful and commercially robust decisions by the Committee relating to the council's procurement of high value services, supplies or works.

2. Status

The Board shall be an advisory board to Policy & Resources Committee. The Board will not have sub committee status and the political balance rules in section 15 of the Local Government and Housing Act 1989 will not apply. However, it is expected that the Board will be established on a cross party basis.

3. Areas of focus

3.1 To review and advise on the procurement of council services, works or supplies where the estimated lifetime value of the contract to be awarded:-

3.1.1 exceeds £1,000,000; or

3.1.2 where, in the judgment of the relevant Executive Director or the s151 Officer, the procurement should be referred to the Board.

3.2 To review and advise with due regard to:

- (i) the law, in particular European and UK laws relating to public procurement;
- (ii) the council's Contract Standing Orders, Financial Regulations, and Standard Financial Procedures;
- (iii) relevant commercial considerations;
- (iv) the council's corporate procurement strategy;
- (v) the council's corporate priorities.

4. Reporting

4.1 The Board will report to the Policy & Resources Committee, or other relevant Committee, with recommendations.

5. Membership

5.1 Membership of the Board shall consist of 5 elected Members, following nominations by their Group Leader.

- 5.3 No Member may serve on the Board, whether as a substantive or substitute member, unless they have undergone the required training for Board members.

6. Review

- 6.1 These terms of reference may be reviewed and amended by the Policy & Resources Committee from time to time.

DIRECTORATE SCHEME OF OFFICER AUTHORISATIONS

ADULT SERVICES

Introduction

All staff who work for the Council are authorised to act within the scope of the responsibilities and duties under their contract of employment, whether express or implied, custom and practice and/or the Council's constitution.

The Council's delegation scheme delegates all matters not reserved to Members to the relevant Chief Officer. Paragraph 6 of Part 6.2 of the Council's constitution permits Chief Officers to authorise others within their Directorates to exercise those powers delegated to them.

Purpose of the Scheme

To list the matters for which authorisation has been given and the post holder to whom it has been given.

To whom does this Scheme apply?

The scheme of authorisation will apply to all permanent, contract and temporary staff working for the Council. In the case of an absence or a person not being in post, the authorisation is exercisable by the person covering that post under any interim arrangements.

Conditions and limits of authorisation

Chief Officers may in addition to these standing authorisations, also on an ad hoc and time limited basis (for example during periods of leave) authorise other officers to exercise delegations for them or to act as their duty. These time limited authorisations must be given in writing.

All authorised post holders must personally make, and to what extent is appropriate in the circumstances, record their decision making when exercising this authorisation. Authorisations must be exercised personally by those to whom they have been given.

A post holder under this scheme of authorisation must exercise his /her power within the financial limits set by the Council's financial procedures and contract standing orders.

All authorised post holders are required to consult such Members and officers as she/he considers appropriate.

All authorised post holders are required to consult Members and such officers where the decision has a direct impact on a local community.

Ward Members to be kept aware of any decision made and action taken that affects members of the community in their ward

Chief Officers remain accountable for any action or decisions taken under this authority.

None of the below authorisations prevent the Director from exercising those functions or make the decisions for an authorisation has been granted to a post holder.

Compliance

All officers authorised to exercise functions on behalf of officers with delegated functions are required to do so in compliance with the law, the Council's Constitution, including its Procurement Code, Financial Regulations, write-off procedures and other relevant policies and procedures.

A failure to comply with this scheme does not automatically make an action or decision invalid. However, there is a risk that such a failure could lead to:

- any actions taken by a person acting as an authorised post holder, as being invalid or legally unenforceable and could expose the Council to legal and administrative consequences.
- the Council being committed to expenditure without requisite authority and an inaccurate audit trail for the transaction.
- affecting the Council's reputation

This may lead to management action under the Council's disciplinary procedures.

Updating the authorisation scheme

This list maybe updated by the Chief officers with delegated powers wishing to authorise others to exercise them on their behalf under the provisions of paragraph 3.4.2 of Part 3 of the constitution. Any revisions must be submitted to the Council's monitoring officer with 28 days of the authorisation being approved

Authorisation Scheme List

This internal scheme of authorisation lists the post holders who authorised by the Director to undertake functions on their behalf.

Specific authorisations

Adult Social Services		
Constitution	Extent and nature of authorisation	Post holder
Part 6.3, Part B,VI	<p>Authority to discharge the Council's adult social care and health functions in accordance with the Care Act 2014 and associated Statutory Guidance</p> <p>Authority to discharge the Council's functions in respect of incapacitated persons in accordance with the Mental Capacity Act 2005</p>	

General Adult Social Services			
Constitution	Extent and nature of authorisation	Condition/Restriction	Post holder
Part 6.3, Part B,VI	(i) To meet the needs of individuals or families in accordance with the provisions of sections 18,19 and 20 of the Care Act 2014 to include residential and day care accommodation within the agreed policy of the Council and the estimates provisions.		
	ii) To make variations to the number of places at any Social Services establishment, in response to changes in demand or resource availability		
	iii), to exercise the powers of the Council to enforce, make application and representations to a Court or Magistrate, and authorise, institute and defend proceedings under any enactment in respect of adults.	After consultation with the Monitoring Officer	
	iv), to administer arrangements	In accordance with the general policies	

	made in accordance and compliance with the Care 2014 and to authorise expenditure within overall budget provision.	from time to time laid down by the Council	
	(v), to set future inter-authority and standard charges for residential and day-care accommodation, in accordance with the provisions of the Care Act 2014 and associated Care and Support Regulations	After consultation with the Executive Director of Finance & Resources	
	vi) To waive assessed contributions for adaptations to homes or provision of equipment in exceptional circumstances, subject to the contribution not exceeding £1000 or such other sum as may from time to time be fixed by the Council (vii) To authorise officers to be the Council's nominee for the purpose of obtaining Grants of Probate and to deal with related matters and/or to seek appointment as Deputy pursuant to the Mental Capacity Act 2005 where it is appropriate for an officer of the Council to act.		
	viii) To appoint approved mental health practitioners for the purposes of the Mental Health Act 1983.		
	ix) To accept guardianship applications and to make orders for Guardianship the Mental Health Act 1983.		
	x) To authorise in exceptional individual cases variations from the approved scale of charges for a particular service and to operate the scale of allowances to disabled		

	people attending day centres.		
	xviii) To exercise the Council's functions regarding residential homes and nursing homes.		
	xix) To exercise the Council's functions under the Data Protection Act 1998 regarding access to personal files or information held by the department.		

Section 75 Arrangements

Constitution	Extent and nature of authorisation	Post holder
Part 6.3, Part B,VI	Authority to exercise under or in connection with the adult social care and health partnership arrangements with health bodies made pursuant to Section 75 of the National Health Service Act 2006, to the extent that the arrangements permit an officer to exercise the functions.	

Supported Employment

Constitution	Extent and nature of authorisation	Post holder
Part 6.3, Part B,VI	To exercise the Council's functions regarding the employment of physically disabled people.	

Housing Related Support

Constitution	Extent and nature of authorisation	Post holder
Part 6.3, Part B,VI	Subject to any instructions of the Chief Executive given from time to time authorisation for co-ordinated	

	<p>commissioning and management of associated funds in relation to housing related support services;</p> <p>(ii) authorisation to exercise the council's function in relation to housing related support services for adults generally.</p> <p><i>Note: the power referred to above is delegated concurrently to the Executive Director Environment, Development & Housing.</i></p>	
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Signed

Director of Adult Services

Dated

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