Brighton & Hove City Council

Policy & Resources Committee

Date:	**13 February 2020**
Time:	**4.00pm**
Venue	**Hove Town Hall - Council Chamber**
Members:	**Councillors:**Platts (Chair), Yates (Deputy Chair), Mac Cafferty (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Clare, Gibson, Moonan, Miller and Shanks
Contact:	**Lisa Johnson** Democratic Services Manager 01273 291228 lisa.johnson@brighton-hove.gov.uk

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AGENDA

PART ONE **Page**

PROCEDURAL MATTERS

121 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.

122 MINUTES **9 - 28**

To consider the Part One Minutes of the meeting held on 23 January 2020 (copy attached).

123 CHAIR'S COMMUNICATIONS

124 CALL OVER

125 PUBLIC INVOLVEMENT

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 (10 days);

(b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 7 February 2020;

(c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 7 February 2020.

126 MEMBER INVOLVEMENT **29 - 32**

To consider the following matters raised by councillors:

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

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

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

(d) **Notices of Motion:** to consider any Notices of Motion referred from Council or submitted directly to the Committee.

Referred from Full Council held on 30 January 2020:

(i) Madeira Terrace
(ii) Fuel Poverty

127 GENERAL FUND REVENUE BUDGET, CAPITAL & TREASURY MANAGEMENT STRATEGY 2020/21 **33 - 256**

Report of the Acting Chief Finance Officer (copy attached)

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

128 TARGETED BUDGET MANAGEMENT (TBM) 2019/20: MONTH 9 **257 - 322**

Report of the Acting Chief Finance Officer (copy attached)

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

129 BRIGHTON RESEARCH & INNOVATION FIBRE RING **323 - 368**

Report of the Executive Director Economy Environment & Culture (copy attached)

Contact Officer: Max Woodford

Ward Affected: *Hollingdean & Stanmer; St Peter's & North Laine*

130 HOUSING REVENUE ACCOUNT BUDGET AND CAPITAL INVESTMENT PROGRAMME 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY **369 - 408**

Report of the Executive Director Housing Communities & Neighbourhoods (copy attached)

Contact Officer: *Monica Brooks* *Tel: 01273 292279*
Ward Affected: *All Wards*

131 WINTER SHELTER PROVISION FOR ROUGH SLEEPERS **409 - 428**

Report of the Executive Director Health & Adult Social Care (copy attached)

Contact Officer: Emily Ashmore *Tel: 01273 292520*
Ward(s) Affected: All Wards

132 CONCESSIONARY BUS TRAVEL - 3 YEAR FIXED DEAL **429 - 432**

Report of the Executive Director Economy Environment & Culture (copy attached)

Contact Officer: *Yvonne Harvey*
Ward Affected: *All Wards*

133 FEES AND CHARGES 2020/21 **433 - 476**

Joint report of the Executive Director, Economy, Environment & Culture, the Interim Executive Director, Neighbourhoods, Communities & Housing and the Executive Lead Officer, Strategy, Governance & Law (copy attached)

Contact Officer: *Steven Bedford* *Tel: 01273 293047*
Ward Affected: *All Wards*

134 ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 2 April 2020 Council meeting for information.

PART TWO

135 PART TWO MINUTES **477 - 478**

To consider the part two minutes of the meeting held on 23 January 2020 (copy attached).

Contact Officer: *Lisa Johnson* *Tel: 01273 291228*

136 CONCESSIONARY TRAVEL FIXED DEAL BRIGHTON & HOVE BUS AND COACH COMPANY **479 - 484**

Report of the Executive Director Economy Environment & Culture (copy attached)

137 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.

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

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Date of Publication - Wednesday, 5 February 2020

BRIGHTON & HOVE CITY COUNCIL

POLICY & RESOURCES COMMITTEE

4.00pm 23 JANUARY 2020

HOVE TOWN HALL - COUNCIL CHAMBER

MINUTES

Present: Councillor Platts (Chair) Mac Cafferty (Opposition Spokesperson), Bell (Group Spokesperson), Allcock, Ebel, Gibson, Miller, Moonan, Robins and Shanks

PART ONE

102 PROCEDURAL BUSINESS

(a) Declarations of Substitutes

102.1 Councillor Ebel was present in substitution for Councillor Clare
Councillor Robins was present in substitution for Councillor Yates

(b) Declarations of Interest

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

(c) Exclusion of Press and Public

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

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

103 MINUTES

103.1 **RESOLVED:** That the Minutes of the meeting held on 5 December 2019 were agreed and signed as a correct record.

104 CHAIR'S COMMUNICATIONS

104.1 The Chair gave the following communication:

Hello and welcome to this meeting of the Policy & Resources Committee. I'd like to inform those present that this meeting will be webcast live and will be capable of repeated viewing.

Welcome to the first Policy and Resources Committee of the new year.
I want to start by thanking officers for all their hard work on our Council plan which we launched recently.

There are three areas of change that huge numbers of you told us you want to see in the city and they are:

- make our city carbon neutral by 2030
- improving access to housing and reducing homelessness
- building community wealth

And we have the opportunity to talk about aspects of all of those areas today.

I'm really pleased with some of the items on the agenda today that really showcase the progress the council is making in a range of areas.

There are motions carried over from Full Council that had unanimous cross-party backing such as lobbying for a Green New Deal, to restructure our economy around green jobs and decarbonisation.

This council was one of the first to declare a climate emergency. We have an ambitious target to make the city carbon neutral by 2030. We are already rolling out electric vehicle charging points and we have an ultra-low emission zone in the City centre. I am looking forward to residents across Brighton & Hove leading the conversation on how we combat the climate crisis at the Climate Assembly in the Spring. We must act now to save the planet, the work must begin at home, and we must bring residents with us on this journey; they must lead the way.

We have motions to note from our last Full Council meeting calling on the government to raise housing benefits so our residents are not priced out of our area, and on how Voter ID plans must be stopped to ensure everyone gets a say in our democracy.

We have some really positive reports coming to our committee tonight. One to provide more Council-owned temporary accommodation to prevent homelessness.

We also have our report on Community Wealth Building, which at its heart is about ensuring local people and organisations benefit from the prosperity in the city, ensuring the wealth that's created in our city, stays in our city.
We have an update on Brexit. I'm proud to have signed a letter of unity with the other local group leaders, that sends a clear message to the estimated 19,000 EU nationals who call Brighton & Hove home. You are welcome here. We are proud to be a City of Sanctuary. Being welcoming and open are at the heart of our values as a city, and we will never turn out backs on our EU brothers and sisters.

I'm looking forward to a respectful meeting tonight. It's great to so many people in the gallery and I'm looking forward to hearing from residents directly today. Thank you.

As the Committee will be aware, there is a deal of public interest in the Golf Courses report today.

In order to be fair to those that have attended, I will be making changes to the order of the agenda. Due to the level of public interest in the matter, after we have taken the Public Involvement items we will then consider Item 110 the Hollingbury Park and Waterhall Golf Courses. Once we have considered that report, we will then move on to Member Involvement and the report items as they are listed in the agenda. Please note that Item 110 does have a Part Two paper and so it is possible that the press and public may have to leave the Chamber during consideration of that item.

105 CALL OVER

105.1 The following items were reserved for discussion:

Item 108	Business Rates Retention Forecast 2020/21
Item 109	Council Tax Base 2020/21
Item 110	Hollingbury Park and Waterhall Golf Courses
Item 111	Life Events Fees and Charges
Item 113	Procurement of Council Owned Short Term Temporary Accommodation – Gladstone Court
Item 114	Community Wealth Building
Item 115	BHCC Brexit Resilience & Planning Update

105.2 The following items were approved with discussion:

Item 112 Re-procurement of Secondary Records Storage

106 PUBLIC INVOLVEMENT

106 (a) Petitions

106.1 There were none

106(b) Written Questions

106.2 Mr Todd asked the following question:

Hollingbury Park Golf Course

Given the huge public concern about the future of ancient chalk grassland on and around Hollingbury Hill Fort which is in serious decline, the loss of which is also threatening the archaeology there, what consideration has the council given to addressing these issues within the discussions over the lease of Hollingbury Golf Course?

106.3 The Chair gave the following response:

Hollingbury Hill Fort does not sit within the proposed area currently managed by the golf course. The future proposed lease for the site specifically excludes this archeological area. The area is currently actively maintained through our City Parks team to ensure its preservation.

106.4 Mr Todd asked the following supplementary question:

What safeguards has the Council written into the contract to ensure that there is community engagement before and during any redesign of the golf course, as afterwards as currently proposed would be too late.

106.5 The Chair gave the following response:

There was a commitment within the proposals from both of the preferred bidders for community engagement. In addition, if there was a planning process there would be further consultation through that process. The final negotiation of the contract, should the Committee agree the preferred bidder status for either or both sites, could strengthen that commitment.

106.6 Ms Price asked the following question:

Hollingbury Park Golf Course

BHCC signed the Biodiversity Emergency in 2018. What action is it undertaking to start to reverse our wildlife decline before agreeing the re-letting of the Hollingbury golf course site, which is a fundamental part of the statutory designated Wild Park Local Nature Reserve?

106.7 The Chair gave the following response:

The Wild Park Local Nature Reserve has a current management plan in place that is used to manage the land and habitats of the area within the reserve. The action plan which was formulated with partners is important for the support and promotion of wildlife whilst also realising the area is an important recreational resource for a large local population. The golf course contains a variety of habitats including grassland, woodland and the non-playing areas of the golf course are rich in wildlife. It is actively maintained to encourage wildlife to flourish there.

106.8 Ms Price asked the following supplementary question:

Will the new golf course have to comply with the management plan for the nature reserve?

106.9 The Chair gave the following response:

The area would remain as a designated local nature reserve, and that would be included in discussions with the preferred bidder.

106.10 Mr Evans asked the following question:

Waterhall Golf Course

When Waterhall golf course was gifted to the council in the 1920s, was it conditional on the land being used only for golf for the benefit of Brighton and Hove residents, and will the council now make the deeds accessible for public scrutiny?

106.11 The Chair gave the following response:

The Council's legal advisers have reviewed the Land registry documents for the Waterhall Golf Course and have confirmed that from their investigations the land has to be preserved as an open space in perpetuity although there does not seem to be any specific mention of golf. These documents can be shared on request.

106.12 Mr Evans asked the following supplementary:

With the marketing process left so late, and not enough time to find viable bids to continue Waterhall as a golf course, should the council now pause and reflect?

106.13 The Chair gave the following response:

It is considered very unlikely that even with additional time any viable bids to continue Waterhall as a golf course would be received.

106(c) Deputations

106.14 Two Deputations had been received, both on the Hollingbury Park Golf Club.

106.15 The Chair invited Mr S Garrioch to present his deputation.

Mr Garrioch said:

- We acknowledge there should have been a longer period of consultation with all interested parties.
- We accept that the land can be used for a variety of eco-friendly uses as well as golf
- Extinction Rebellion are proposing mothballing the site whilst consultation takes place
- If the above was to happen, the golf course will be lost forever and it will cost more to reopen the site in any format.
- The bidder is proposing a short lease in order to consult with all interested parties without mothballing the site which will cost £100k per annum according to the council.
- What the preferred bidder is suggesting is the future of all golf course, to become multipurpose, eco-friendly, well designed open land for more people to enjoy
- I propose to put together a group who will sit regularly as a consulting voice with the bidder. All interested parties will be represented.
- The important issue for all parties, the club will stay open whilst the necessary surveys are carried out.
- This appears to us as the best of both worlds! We will retain our golf, improve the services offered and have new, better and more educational open green space

106.16 The Chair invited Mr P Wiseman to present his deputation.

Mr Wiseman said:

My name is Paul Wiseman. I'm in the interesting position of being a golfer who plays regularly at Hollingbury, a member of Extinction Rebellion Brighton and a Brighton Council tax payee. I come here today wearing all three hats. As part of the golfing community I understand the physical, social and mental health benefits of a round of golf. As a member of XR, I've all too good an understanding of the threat posed to our planet by the disregard with which humans have treated it over the past 200 years. With a million species worldwide at risk of extinction and temperatures predicted to reach 3-5^{0}C by the end of the century, our children face a bleak future. And as a resident of this city, I urge my hard-pressed Council to do the right thing – for all our sakes.

Climate disaster isn't just far away in distant lands, but here, right now – on our Brighton and Hove doorsteps, quite literally! With polar ice caps melting at an alarming rate and the sea levels rising, it's likely that, if temperatures are allowed to rise more than 1.5^{0}C above pre-industrial levels, parts of Brighton and Hove will be permanently under water, in only a few decades.

Extinction Rebellion's petition, which closed last week with over 5,000 signatures, along with the two golf course petitions, total nearly 9,000 people who care about the deeply about the future of our precious Downland, the future of our children and the future of our planet. We've no doubt that this Council cares too. But things are too rushed. The timescales do not make sense. And following this council's unanimous Climate and Biodiversity declaration in 2018, there's still no Climate Plan in place. We understand this is in hand, but surely it's crazy for decisions, which span a quarter of a century, to be made before such a plan is in place? We ask that the Climate Plan's contents be applied retrospectively to any business decisions made now, that the Green Councillors' amendments 1 (passed) & 2 (rejected) regarding the Waterhall site, be applied to Hollingbury Golf Course[i] and that the Council's legal 'Biodiversity Duty' be addressed.[ii] Our detailed demands and further explanations are included in supplementary comments to this speech.

In addition, we have the following concerns:

- No ecologist has been formally giving advice to the council, and the councillors voting on its future are lay people. Why is BHCC not seeking appropriate and ongoing expert advice?
- Mary Mears' comments at last week's TECC committee were spot on – there has been too much of a rush to get these desperately important deals done;
- From what we can gather, a 25-year lease is being proposed with no in-built checking process to ensure that Climate and Biodiversity goals are set and maintained, and
- There's no proposed 'trial period' of say 1-3 years to allow the ending of a tenancy which turns out to be unsuitable in achieving Climate and Biodiversity Emergency targets.

Though golf is a key activity, we feel that evaluation process should be broadened to address the ecological issues and the Climate Crisis, and the community activities that take place on and around the golf course. Let's break out of 'business as usual' and seize an opportunity to improve recreational opportunities in this part of the National Park. Let's save the last remaining vestiges of ancient chalk grassland, on and around the hill fort, from extinction, and let's be mindful of any activity on this significant archaeological site. With all my three hats on, I know everyone agrees that 'mothballing' the site must not happen – this will lead to a costly dereliction of the golf club infrastructure, degradation of the already-threatened features of ecological value, and will contribute little or nothing to climate action. Please be clear, XR Brighton are not in any way opposed to golf continuing on the site. We believe that some reconfiguration of the golf course could allow it to continue functioning, whilst addressing the Climate and Biodiversity Emergency, and while better serving the needs of the local community (e.g. through community orchards/ food growing projects). This scenario would help create a 'win-win' situation, securing the future of the site for golf, while creating a large enough area around the hill fort for appropriate management of the local chalk ecosystem (and safeguarding the rare chalk habitat), promoting public access to the site, and supporting local community projects. *Our forward-thinking city must be at the forefront, taking brave steps to create positive change. If we don't who will?*

We hope that this committee can unite, as we have, to go beyond politics - to do the right thing for our golfers, our environment, the future of our city and the future of our planet.

106.17 **RESOLVED:** The Committee noted that there was a report on Hollingbury Park Golf Club on the agenda, and therefore agreed to note the Deputations.

107 MEMBER INVOLVEMENT

107(a) **Petitions**

107.1 There were none

107(b) **Written Questions**

107.2 The Chair noted that five questions had been submitted but as some of the responses contained tables it was agreed that written answers would be provided.

The following responses were provided:

Q1. What was the installation cost of the bus lane camera installed on the Lewes Rd?

<u>Response</u>
There are 3 bus lane cameras on Lewes Road at the following locations:

LW1520 Lewes Road / Coldean Lane (Eastbound)
LW1521 Lewes Road / Moulsecoombe Way (Southbound)
LW1522 Lewes Road / Coombe Road (Southbound)

The cameras were all installed onto existing lamp columns with only minor works required to accommodate the cameras to the value of £500.

These cameras were purchased and installed as part of a new contract and were funded by external Coast 2 Capital Scheme funding and Brighton & Hove City Council match funding.

The total cost per camera to purchase, install and set up costs was £24,364.

Additionally there is an on-going Support & Maintenance cost per year of £2,499.38 so based on 3 years cost is £7,498

Total: £31862 per camera

Note these figures are per camera and exclude VAT

Q2. Over how many years is the borrowing to install the camera(s) being repaid?

Response
None as they were funded by external Coast 2 Capital Scheme funding and Brighton & Hove City Council match funding

Q3. Please produce a table showing the fine income received the council for each year or part year since installation and the projected income for 2020/21

Response

	Lifetime		YTD		19/20 Forecast		20/21 Forecast
Lewes Road (B)	7,787	£309,551.90	2,473	£98,307.67	2,843	£112,997.32	£101,697.59
Lewes Road (D)	8,474	£336,861.79	2,326	£92,464.07	2,528	£100,504.42	£90,453.98
Lewes Road (X)	3,387	£134,641.36	39		39	£1,550.34	TBC
Total	19,648	£781,055	4,838	£190,772	5,410	£215,052	£192,152

One of the Lewes Road CCTV cameras has been suspended since July 2019, due to works at Preston Barracks. We don't have a confirmed date currently for when this camera is going to be utilised again so can't make forecasts at this stage.
The other two cameras have seen a decrease in PCNs issued in 19/20 compared to 18/19 (The cameras were installed and began operation in April 2018)
The Forecast is 90% achievement in 20/21 compared to 19/20 forecast including seasonal variance.
All figures represent gross revenue for each location and the costs have not been taken into account for this.

Q4. For the Rough sleeping and homeless support service contract costs for 2019/20 please provide a table listing contract name (provider), contract value, detail as to whether the is low medium or high support, brief description of the service, average length of stay of residents in the accommodation (if known), number of units of accommodation and cost per unit?

Response

Please note that average length of stay is no longer a Key Performance Indicator for most of our contracts, instead we use throughput targets that allow for a more personalised service offer. Where services are on Bthink we have been able to provide average length of stay, where this has not been possible we have provided throughput figures, these have only been provided where average length of stay is not available.

Throughput figures are calculated according to the definition provided by the MHCLG the total number of clients in the period as a % of the number of units.

Where services provide one or two nights of accommodation as an emergency response, (SWEP and Nightstop) we have not provided average length of stay or throughput figures.

Q5. For the above table please provide any helpful explanation the reasons for any of the differences in cost per unit between similar levels of support

Response

Differences in costs for accommodation based services can vary for a number of reasons;

- Small scale projects lack economy of scale around staffing (e.g. to ensure sufficient cover, prevent lone working etc. a ten bed service can have the same staff team requirement as a twenty bed service)
- Providers who own their buildings have lower accommodation costs and this is reflected in the costs they need to attract to manage this cost; where a provider owns their own building their rental income can be used to maintain the building as well as offsetting staffing costs etc.
- High, medium and low are blunt descriptors. Some of the services described as high offer services to clients with multiple and compound needs and offer enhanced service provision. Some services have an increased need for professionally qualified staff which can increase costs.
- Whilst all of our services are living wage employers terms and conditions vary and this can have an impact on staffing costs.

107(c) **Letters**

107.3 The Chair noted that a letter had been submitted by Councillor Clare, but as she was not able to attend the meeting the letter was read out by Councillor Mac Cafferty

107.4 The following response was provided:

A briefing report will be made available to Committee Members prior to the budget setting process. Any changes to the proposed savings will need to be made via the budget process.

107.5 The Committee agreed to note the letter.

107(d) **Notice of Motion**

107.6 (i) New Green Deal

The Committee considered the Notice of Motion which was referred from Full Council held on 24 October 2019 (it was not considered at the Policy & Resources Committee meeting held on 5 December 2019 due to the General Election).

107.7 The Chair recommended that a report come to the Cross-Party Carbon Neutral Working Group.

107.8 The Committee agreed.

107.9 (ii) Housing Benefit

The Committee considered the Notice of Motion which was referred from Full Council held on 24 October 2019 (it was not considered at the Policy & Resources Committee meeting held on 5 December 2019 due to the General Election).

107.10 The Chair recommended that the Notice of Motion be noted, and the Council Tax Reduction Scheme be considered in the upcoming welfare review.

107.11 The Committee agreed.

107.12 (iii) Proportional Representation

The Committee considered the Notice of Motion which was referred from Full Council held on 19 December 2019

107.13 The Chair suggested that the Committee note the Notice of Motion as it would make better use of officer time.

107.14 The Committee agreed.

107.15 (iv) Creation of Loan Finance Facilities for Community Borrowing.

The Chair asked Councillor Gibson to introduce his Notice of Motion

107.16 Councillor Gibson said that short and long term finance was needed for community wealth building, sustainability and community land trust housing projects. Such initiatives contributed to social value and enhanced the quality of life of the city's

residents, which often could not get off the ground or were delayed due to lack of finance. The Notice of Motion asked officers to prepare a report that assessed the practicalities and options for establishing a short term loan facility for community housing, wealth building and sustainability projects and a self-funding longer term loan fund to promote lending for social value projects.

107.17 Councillor Mac Cafferty seconded the Notice of Motion

107.18 Councillor Allcock said that they were interesting ideas and were in the spirit of community wealth building. It had been agreed to set up a cross-party working group on community wealth building, and this Notice of Motion could be considered by them. He therefore suggested that the Notice of Motion be noted.

107.19 The Acting Chief Finance Officer said that the Notice of Motion asked that a report be prepared in a timeframe which allowed for a decision to be taken at Budget Council or a later P&R Committee meeting, and confirmed that it would not be possible for a report to be prepared with all suggestions fully explored prior to Budget Council in February.

107.20 Councillor Miller supported the Notice of Motion.

107.21 The Chair suggested that the Notice of Motion be noted.

108 BUSINESS RATES RETENTION FORECAST 2020/21

108.1 The Committee considered the report of the Acting Chief Finance Officer regarding the Business Rates retention forecast 2020/21.

108.2 Councillor Moonan noted that Air B ‘n’ B and ‘party houses’ did not pay business rates and so the Council needed to lobby the Government to address that.

108.3 Councillor Miller said that those properties would pay Council Tax and so the Council may receive less if they were paying Business Rates.

108.4 Councillor Mac Cafferty asked if there was a forecast for collection rates. Officers said that it was estimated that 98.75% of the net rates payable for 2020/21 would be collected, and so 1.25% of the may have to be written off.

108.5 Councillor Gibson asked officers if they were able to give an indication of the size of the benefits, and whether there would be an impact from the changes to the appeals process. Officers said that the appeal situation was still being assessed, but it was hoped that there would be some improvement. The changes wouldn’t impact on the estimates for the next financial year as they had already been taken into account.

108.6 RESOLVED: That the Committee –

1. Noted that the amount forecast to be received by the council in 2020/21 from its share of local business rates and section 31 Local Government Act 2003 compensation grants is £67.077m, based on the latest data. This was £0.341m (0.5%) above the forecast used in the December Draft Revenue Budget proposals report.

2. Delegated the agreement of the final business rates forecast and the NNDR1 2020/21 form to the Acting Chief Finance Officer following consultation with the Chair of this Committee for the reasons given in paragraph 1.2.

109 COUNCIL TAX BASE 2020/21

109.1 The Committee considered the report of the Acting Chief Finance Officer which provided information to enable Members to agree the tax base for 2020/21.

109.2 Councillor Mac Cafferty said that there was a budget in 2019/20 for £1.56m council tax collection fund deficit and asked if officers could provide clarity on what was happening with that. Officers said that TBM 7 did show a deficit in council tax collection, but part of that was when council tax could be collected for new properties, and the TBM 9 report should show that the deficit was still there but had reduced and would be factored into the budget being agreed in February.

109.3 Councillor Moonan said that it was good that there were new properties, as they provided homes as well as increasing the amount of council tax which could be collected.

109.4 RESOLVED: That the Committee –

1. Approved the calculation of the council's tax base for the year 2020/21.

2. Noted the collection rate assumed is 99.00%.

3. Agreed that in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012, the amounts calculated by Brighton & Hove City Council as its council tax base for the year 2020/21 shall be as follows:-
   (i) Brighton and Hove in whole – 90,722.8 (as detailed in appendix 1)
   (ii) Royal Crescent Enclosure Committee – 31.0 (as detailed in appendix 2)
   (iii) Hanover Crescent Enclosure Committee – 39.4 (as detailed in appendix 2)
   (iv) Marine Square Enclosure Committee – 75.8 (as detailed in appendix 2)
   (v) Parish of Rottingdean – 1,574.1 (as detailed in appendix 2)

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

5. Agreed that the Enclosure Committees and Rottingdean Parish are paid the required Council Tax Reduction Grant of c£4,000 in total, to ensure they are no better or no worse off as a result of the introduction of the Council Tax Reduction Scheme for the reasons set out in paragraph 3.7.

110 HOLLINGBURY PARK AND WATERHALL GOLF COURSES

110.1 The Committee considered the report of the Executive Director Economy Environment & Culture regarding the Hollingbury Park and Waterhall golf courses.

110.2 The Chair noted that there was an amendment from the Green Group and asked Councillor Mac Cafferty to move it.

110.3 Councillor Mac Cafferty said that he was unhappy that the report had not been published until late on 21 January and felt that it should have been available earlier to allow time for Members to fully consider all the information provided. The Chief Executive accepted that the report was not available when the agenda was published and said that officers always tried to allow time for Councillors to give proper scrutiny to reports, but this was an exceptional case. He said that the report had recently been considered at the TECC Committee and it had had to be updated before it could come to this committee.

110.4 Councillor Mac Cafferty referred to the amendment and said that the Green Group did not think that the lease should be agreed for 25 years, and so an additional recommendation had been added that the lease should only be given for 3 years. This would allow time to consider whether the lease could be taken back in-house, and for ecology and landscape assessments and work with conservation, environment and community groups to be undertaken. A further report could come back to this committee within the three years regarding a further 22-25 year lease. There was a request that an annual report on the progress of the environmental sustainability, public access and public health be brought to a future meeting of the TECC Committee. There was concern that there had been a lack of public consultation and so a final recommendation had been added to ask officers to prepare a report detailing how full engagement could take place for future use of council owned land. The amendment was as follows (changes in bold and italic):

That the Policy & Resources Committee:

2.1 Agrees to lease Waterhall Golf Course to the Community Interest Company (CIC) described in the bid appended to the Part 2 report for a period of 25 years.

2.2 Delegates authority to the Executive Director, Economy, Environment & Culture to conclude the lease arrangements for Waterhall Golf Course as per 2.1.

2.3 Agrees to lease Hollingbury Park Golf Course to the Registered Charity described in the bid appended to the Part 2 report for a period of up to three years ~~***and agrees to enter into an agreement for lease and a lease for up to 25 years.***~~

2.4 Directs that before the end of the 3 year lease, officers negotiating a longer lease with the lessee should give meaningful consideration to:
-options for a break clause and marketing exercise prior to entering into a long lease;
-potential for the lease to be taken back 'in-house'
- plans to undertake ecology and landscape assessments; and
- work with conservation, environment and community groups

2.5 Directs that proposals for the further 22/25 year lease will come back to an appropriately timed Policy & Resources Committee for a decision within the three years.

2.6 Requests that an annual report on the progress of the environmental sustainability, public access and public health elements at Hollingbury is brought to the Tourism, Equalities, Communities & Culture Committee, and that the lessee is invited to contribute to this report

~~**2.4**~~ **2.7** Delegates authority to the Executive Director, Economy, Environment & Culture to negotiate and conclude the lease arrangements for Hollingbury Park Golf Course as per 2.3

~~***2.5***~~ ***2.8*** Notes that TECC recommended that, if no clearly beneficial bid was identified for Hollingbury Park Golf Course, Policy & Resources Committee order a review (the TECC decision is set out in full below).

2.9 Notes that further to the creation of the Downland Policy Review Panel, agreed at a meeting of the Policy, Resources and Growth Committee, 8th December 2016, the city council agreed to promote full scrutiny by Members and involve local conservation bodies on sensitive asset issues, yet this has been a rushed decision with a lack of consultation. In line with the outcomes of the decisions from the Policy Review Panel, that this committee requests officers:

- prepare a report, detailing the means by which proper stakeholder and community engagement can take place, prior to decisions regarding the future use of council-owned land

110.4 Councillor Ebel seconded the proposed amendment.

110.5 Councillor Bell referred to the Waterhall Golf Course and asked what stage the Council were at for signing the lease and how long it would take to get the lease arranged for Hollingbury Park Golf Course. The Executive Director Economy Environment & Culture said that the end of the Mytime Active contract expired on 31 March 2020, and the proposal for the Hollingbury Park Golf Course would allow continuity of golf provision and jobs for the staff who worked there. With regard to Waterhall there had been a positive recommendation from the TECC Committee and if the committee agreed the recommendations today officers would meet with the preferred bidder straight away.

110.6 Councillor Miller referred to Waterhall and suggested that consideration could be given to selling assets in a green way, and that income could then be reinvested in things such as he repairs to Madeira Terraces or helping the Council meet its carbon neutral target. He referred to the rent-free period at Hollingbury Park and asked for assurance that the contract would encourage capital investment. The Executive Director Economy Environment & Culture said that the rent-free period for Hollingbury Park would be for up to three years and there would be an assessment of the investment the preferred bidder would be willing to put into the site.

110.7 Councillor Gibson said the amendment to allow a three year lease would allow time for all parties to have a meaningful conversation on the future of the sites. Councillor Robins said the matter had been considered by the TECC Committee in June 2019 and officers had spent a long time working on this matter. The recommendations would allow for a golf course to remain, for a site to rewilded, and staff to keep their jobs.

110.8 Councillor Allcock asked what the implications would be of delaying a decision. The Executive Director Economy Environment & Culture said that TECC Committee agreed that if no beneficial bids were identified for Hollingbury Park Golf Course that it recommended that this Committee order a review to consider whether to carry out a new bidding process which would encourage mixed golf/rewilding use and considered extending the Mytime Active contract. He said that there would a cost if the sites were mothballed as outlined in the report and which would impact on the land.

110.9 Councillor Shanks asked if the golf course and Hill Fort were part of the Local Nature Reserve. The Executive Director Economy Environment & Culture said that his understanding was that part of the golf course was in the nature reserve, but it was the Council who designated the nature reserves. He added that whether or not the land was in a nature reserve it still had biodiversity value.

110.10 Councillor Moonan said that there would be significant investment for the bidders and asked if having a break clause in the contract may put that investment at risk and so potentially they could withdraw from the process. The Executive Director Economy Environment & Culture said that for anyone investing would want some certainty that having made that investment that there was a period of time in which they could recover that investment and having a break clause could impact on their decision.

110.11 Councillor Mac Cafferty noted that the 3 year lease had come from the lease holder not the Green Group. The Executive Director Economy Environment & Culture confirmed that was correct.

110.12 The Committee voted on the amendment and it was not agreed.

110.13 The Committee agreed that they had considered the information contained within the Part Two papers.

110.14 RESOLVED: That the Committee –

1. Agreed to lease Waterhall Golf Course to the Community Interest Company (CIC) described in the bid appended to the Part 2 report for a period of 25 years.

2. Delegated authority to the Executive Director, Economy, Environment & Culture to conclude the lease arrangements for Waterhall Golf Course as per 1.

3. Agreed to lease Hollingbury Park Golf Course to the Registered Charity described in the bid appended to the Part 2 report for a period of up to three years and agrees to enter into an agreement for lease and a lease for up to 25 years.

4. Delegated authority to the Executive Director, Economy, Environment & Culture to negotiate and conclude the lease arrangements for Hollingbury Park Golf Course as per 3.

5. Noted that TECC recommended that, if no clearly beneficial bid was identified for Hollingbury Park Golf Course, Policy & Resources Committee order a review.

111 LIFE EVENTS FEES AND CHARGES

111.1 The Committee considered the report of the Executive Lead Strategy Governance & Law which set out the proposed fees and charges for the financial year 2020/21 for Registration Services within Life Events.

111.2 Councillor Gibson said that for the budget there was an expectation that some charges would increase by 2% but some charges were set nationally and couldn't be increased by that amount. The Executive Lead Strategy Governance & Law agreed and said that increasing some charges could lead to a decrease in demand and that would be monitored, but the expectation was that the required income would be achieved.

111.3 Councillor Allcock said that the Council's fees were benchmarked with other authorities, were linked to inflation and were competitive and fair.

111.4 Councillor Gibson said that the Green Group would abstain from the vote and asked that that be noted in the Minutes.

111.5 RESOLVED: That the Committee approved the changes to fees and charges in the Registration Service as shown in the appendix to the report.

112 REPROCUREMENT OF SECONDARY RECORDS STORAGE

112.1 RESOLVED: That the Committee –

1. Approved the procurement of a Secondary Records Storage provider in partnership with Surrey County Council.

2. Granted delegated authority to the Executive Director of Finance and Resources to award a contract for the provision of secondary records storage for an initial period of 7 years with three optional 1 year extensions.

113 PROCUREMENT OF COUNCIL OWNED SHORT-TERM TEMPORARY ACCOMMODATION – GLADSTONE COURT, HARTINGTON ROAD, BRIGHTON

113.1 The Committee considered the report of the Executive Director Housing, Neighbourhoods & Communities regarding the procurement of Gladstone Court, Hartington Road, Brighton for temporary short-term accommodation.

113.2 The Executive Director Housing, Neighbourhoods & Communities referred to Recommendation 2.3, and said that since the report had been published there had been more information about the cost to the General Fund of purchasing the freehold of the site and therefore requested that the recommendation be amended to read '£275,000' rather than '£250,000'.

113.3 The Committee agreed to accept the amendment to that recommendation.

113.4 Councillor Moonan said that there was a high need for temporary accommodation and bringing this in house would mean that a better and more sustainable standard of accommodation could be provided.

113.5 Councillor Miller said that scheme would be funded by the HRA account and so asked why there was reference in the report to the budget of £2.1m from the General Fund. Officers said that the £2.1m was one funding source for the scheme which came from a Green Group amendment in the last budget round. Councillor Miller referred to the Part Two papers and said that that figure was not in there. It was agreed that that would be discussed when the Part Two papers were considered.

113.6 Councillors Allcock and Gibson both welcomed the procurement and felt that a better service could be provided by the Council than external providers.

113.7 Councillor Miller suggested that an additional floor could be added to the building which would provide additional accommodation and could provide homes which had more than one bedroom as there was a need for family units. The Executive Director Housing, Neighbourhoods & Communities agreed that there was a need for family accommodation and said that provision of units with more than one bedroom would be considered. If the property was purchased the possibility of extending the building would be looked at in the future.

113.8 Councillor Miller noted that the current lease, dated 2016, was for 150 years and asked for the price which it was sold for. Executive Director Housing, Neighbourhoods & Communities said that it was not sold by the Council in 2016.

113.9 The Committee then moved to Part Two to consider the confidential papers.

113.10 RESOLVED: That the Committee agreed –

1. That the Council makes an offer of up to the agreed sum detailed in the Part 2 report to acquire Gladstone Court.

2. That the freehold of the site is appropriated from the General Fund for Part II Housing Act 1985 purposes for a fee of up to £275,000, as estimated by external valuation.

114 COMMUNITY WEALTH BUILDING

114.1 The Committee considered the report of the Executive Lead Strategy Governance & Law which sought approval for the establishment of the cross-party Member Working Group to oversee the Community Wealth Building programme.

114.2 Councillors welcomed the report but felt that the Terms of Reference were too vague. The Executive Lead Strategy Governance & Law said that they had been written that way to allow the working group flexibility to shape the way they worked.

114.3 RESOLVED: That the Committee –

1. Approved the establishment of a cross-party Member Working Group to oversee the Community Wealth Building programme.

2. Agreed the Steering Group Terms of Reference (Appendix 1 to report).

115 BHCC BREXIT RESILIENCE & PLANNING UPDATE

115.1 The Committee considered the report of the Executive Lead Strategy Governance & Law, which provided an update on the Council's planning activity in preparation for the UK's withdrawal from the EU.

115.2 The Executive Lead Strategy Governance & Law advised the Committee on an officer amendment to the recommendations. At the last meeting of the cross-party Member Working Group on Brexit there was concern that officers would not have the ability to take steps or authorise expenditure in dealing with Brexit related issues as they developed and for some of these issues it may not be proportionate to use Urgency Powers, and so they agreed that the published recommendations should be amended. It was therefore proposed that the following additional recommendation be added:

2.3 That the Executive Lead Officer for Strategy, Governance & Law be authorised to take such steps and incur such expenditure within the allocated funds as is necessary in relation to Brexit, such steps or expenditure to be reported to the next meeting of the Working Group.

115.3 Councillor Miller asked if significant spends would still come back to this committee. The Executive Lead Strategy Governance said that if it was a small amount officers would consult with the group leaders, and any high amount would come to this committee.

115.4 Councillor Miller said that following Brexit there would be new opportunities and asked what steps were being taken to harness those. Officers said that the Working Group would monitor developments and changes to legislation and a further report would come to a future meeting of this committee.

115.5 The Committee agreed the proposed additional recommendation.

115.6 RESOLVED: That the Committee –

1. Noted the contents of this report.

2. Agreed to formal updates on the council's preparations for the UK's withdrawal from the EU to be provided to the Policy & Resources Committee on a quarterly basis throughout 2020.

3. Agreed that the Executive Lead Officer for Strategy, Governance & Law be authorised to take such steps and incur such expenditure within the allocated funds as is necessary in relation to Brexit, such steps or expenditure to be reported to the next meeting of the Woking Group.

116 ITEMS REFERRED FOR COUNCIL

116.1 No items were referred to Full Council on 30 January 2020.

117 PART TWO MINUTES

117.1 **RESOLVED:** That the Part Two Minutes of the meeting held on 5 December 2019 were agreed as a correct record.

118 HOLLINGBURY PARK AND WATERHALL GOLF COURSES

118.1 The Recommendations were agreed as set out in the Part One report.

119 PROCUREMENT OF COUNCIL OWNED SHORT-TERM TEMPORARY ACCOMMODATION - GLADSTONE COURT, HARTINGTON ROAD, BRIGHTON

119.1 The Recommendations were agreed as set out in the Part One report.

120 PART TWO PROCEEDINGS

120.1 **RESOLVED:** That the items listed in Part Two of the agenda and decisions thereon should remain exempt from disclosure to the press and public.

The meeting concluded at 7.00pm

Signed Chair

Dated this day of

POLICY & RESOURCES COMMITTEE	Agenda Item 126 (d) Brighton & Hove City Council

Subject:		**Items referred from the Council meeting held on the 30 January 2020** **Madeira Terrace – Notice of Motion** **Fuel Poverty – Notice of Motion**		
Date of Meeting:		**13 February 2020**		
Report of:		**Executive Lead Officer for Strategy, Governance & Law**		
Contact Officer:	**Name:**	**Mark Wall**	**Tel:**	**01273 291006**
	E-mail:	**mark.wall@brighton-hove.gov.uk**		
Wards Affected:	**All**			

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 To receive the following Notices of Motion which were debated at and referred from the full Council meeting held on the 30 January 2020.

2. RECOMMENDATIONS:

2.1 That the Committee responds to the motion concerning Madeira Terrace either by noting it or where it is considered more appropriate, calls for an officer report on the matter as requested, which may give consideration to a range of options; and

2.2 That the Committee responds to the motion concerning Fuel Poverty either by noting it or where it is considered more appropriate, calls for an officer report on the matter as requested, which may give consideration to a range of options.

3. CONTEXT / BACKGROND INFORMATION

Madeira Terrace, Notice of Motion

3.1 To receive the following extract from the minutes of the full council meeting held on the 30 January 2020 setting out the motion and recommendation for the committee to consider as detailed below:

(3) Madeira Terrace

This Council resolves to request the Policy & Resources Committee:

- To call for a report to its meeting on the 19th March 2020 fully detailing all options available to the Council to ensure the full restoration of Madeira Terraces.
- For this report to make specific reference to the delivery of the three crowdfunded arches as well as exploration of proposals for the restoration of the remaining arches from external organisations.

- For this report to also explore the viability of joint public and private investment for the Committee's consideration.

Fuel Poverty, Notice of Motion

3.2 To receive the following extract from the minutes of the full council meeting held on the 30 January 2020 setting out the motion and recommendation for the committee to consider as detailed below:

(6) Fuel Poverty

This council resolves to request the Policy & Resources Committee to call for a report to a future meeting of the committee detailing a strategy to alleviate fuel poverty in the City of Brighton & Hove by 2030 and that the report includes proposals on:

1) Improving energy efficiency of Council / housing association housing stock;
2) Better enforcement of existing regulations on energy efficiency and property standards;
3) Publishing a statement of intent to access Energy Company Obligation funding via LA Flex;
4) Continuing the ongoing work to switch council properties over to the Your Energy Sussex scheme that ensures new tenants have access to cheaper energy tariffs, and resolving to continue exchanging pre-payment meters with credited smart meters, and offering this option to tenants;
5) Improving tenants' rights;
6) Providing information advice and guidance to those most in need;
7) Becoming a member of the End Fuel Poverty Coalition.

3.3 The extracts relating to the two motions above from the full Council meeting are detailed below:

COUNCIL

4.30pm 24 OCTOBER 2019

HOVE TOWN HALL - COUNCIL CHAMBER

MINUTES

Present: Councillors Phillips (Chair), Robins (Deputy Chair), Simson, Allcock, Appich, Atkinson, Bagaeen, Barnett, Bell, Brennan, Brown, Childs, Clare, Davis, Deane, Druitt, Ebel, Evans, Fishleigh, Fowler, Gibson, Grimshaw, Hamilton, Heley, Henry, Hill, Hills, Hugh-Jones, Janio, Knight, Littman, Lloyd, Mac Cafferty, Mears, McNair, Moonan, Nemeth, Nield, O'Quinn, Osborne, Peltzer Dunn, Pissaridou, Platts, Powell, Rainey, Shanks, C Theobald, Wares, West, Wilkinson, Williams and Yates.

PART ONE

72. NOTICES OF MOTION

(3) MADEIRA TERRACE

72.1 The Notice of Motion as listed in the agenda was proposed by Councillor Mears on behalf of the Conservative Group. Councillor Mears noted various attempts had been made to raise the funds required to enable the restoration of the terraces but stated that time was running out and action needed to be taken before it was too late. She believed that the council should look at its own assets and determine whether there was an opportunity to sell any and use the receipts to help fund the restoration of Madeira Terrace. The council had a responsibility as the custodians to maintain and protect the city's heritage.

72.2 Councillor Nemeth formally seconded the motion and stated that there was a need to review the assets held by the council, and to find a solution to enable the full restoration of Madeira Terrace.

72.3 Councillor Rainey moved an amendment on behalf of the Green Group which was formally seconded by Councillor Mac Cafferty.

72.4 Councillor Platts moved an amendment on behalf of the Labour Group which was formally seconded by Councillor Robins.

72.5 Councillors Janio, Fishleigh, Simson Bagaeen, Gibson, Peltzer Dunn, Hamilton, Littman and Yates spoke on the motion and the amendments and expressed their support for the restoration of Madeira Terrace and the need to ensure that the necessary funding could be secured to enable a restoration programme to be agreed.

72.6 Councillor Mears thanked everyone for their comments and the support for the aims of the motion. She stated that she was happy to accept the amendment from the Green Group but not the amendment from the Labour Group.

72.7 The Mayor noted that the Green Group amendment had been accepted, but that the Labour Group amendment had not and therefore put the Labour amendment to the revised motion to the vote, which was carried.

72.8 The Mayor then put the following motion to the vote:

This Council resolves to request the Policy & Resources Committee:

- To call for a report to its meeting on the 19th March 2020 fully detailing all options available to the Council to ensure the full restoration of Madeira Terraces.
- For this report to make specific reference to the delivery of the three crowdfunded arches as well as exploration of proposals for the restoration of the remaining arches from external organisations.

- For this report to also explore the viability of joint public and private investment for the Committee's consideration.

72.9 The Mayor confirmed that the motion had been carried unanimously.

(6) FUEL POVERTY

72.10 The Notice of Motion as listed in the agenda was proposed by Councillor Platts on behalf of the Labour and Green Groups. Councillor Platts stated that the current council policy needed to be reviewed and noted that the issue cut across several services. She also noted that a number of councils and organisations had signed up to the coalition and hoped that council would agree to Brighton & Hove City Council joining.

72.11 Councillor Mac Cafferty formally seconded the motion and stated that people should not have to choose between heating their homes and providing food for their families. The council and the city should be able to provide affordable heating and noted that Nottingham supplied 5,000 homes with low cost renewable energy.

72.12 Councillors Mears, Janio, O'Quinn, Brennan, Williams, Grimshaw, Shanks and Bagaeen spoke on the motion and supported the need for a review of the policy.

72.13 Councillor Platts welcomed the comments and stated that there was a need to highlight the issue of fuel poverty and to seek the government's support to address the issue.

72.14 The Mayor put the following motion to the vote:

This council resolves to request the Policy & Resources Committee to call for a report to a future meeting of the committee detailing a strategy to alleviate fuel poverty in the City of Brighton & Hove by 2030 and that the report includes proposals on:

1) Improving energy efficiency of Council / housing association housing stock;
2) Better enforcement of existing regulations on energy efficiency and property standards;
3) Publishing a statement of intent to access Energy Company Obligation funding via LA Flex;
4) Continuing the ongoing work to switch council properties over to the Your Energy Sussex scheme that ensures new tenants have access to cheaper energy tariffs, and resolving to continue exchanging pre-payment meters with credited smart meters, and offering this option to tenants;
5) Improving tenants' rights;
6) Providing information advice and guidance to those most in need;
7) Becoming a member of the End Fuel Poverty Coalition.

72.15 The Mayor confirmed that the motion had been carried unanimously.

POLICY & RESOURCES COMMITTEE	Agenda Item 127 Brighton & Hove City Council

Subject:		**General Fund Revenue Budget, Council Tax and Capital Strategy 2020/21**		
Date of Meeting:		**13 February 2020**		
Report of:		**Acting Chief Finance Officer**		
Contact Officer:	**Name:**	**James Hengeveld**	**Tel:**	**01273 291242**
	Email:	**james.hengeveld@brighton-hove.gov.uk**		
Ward(s) affected:		**All**		

FOR GENERAL RELEASE

1 PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This comprehensive report contains not only the General Fund Revenue Budget proposals for 2020/21 but also sets out the proposed Treasury Management Strategy and Capital Investment Strategy for 2020/21.

1.2 The July Budget report to this committee proposed that savings be identified for the 4-year period to 2023/24, however since that report was considered, the government announced a Spending Review for one year only instead of the expected multi-year announcement. In addition, the expected implementation of the government's Fair Funding Review and changes to the Business Rates Retention scheme have been delayed until at least 2021/22. This means that projections beyond 2020/21 are highly uncertain and therefore the budget proposals concentrate on delivering a balanced budget for 2020/21. However, medium term financial projections have been included in the report but can only work on the assumption that funding will be rolled-forward for 2021/22 to 2024/25 until further information is available.

1.3 The revenue budget proposals have been updated since the draft budget report, considered by Policy & Resources Committee on 5 December 2019, and reflect:

- the provisional Local Government Financial Settlement announcement;
- updated projections and estimates, particularly for demand-led services such as social care;
- revisions to the Council Tax and Business Rates tax bases as reported to the January Policy & Resources Committee;
- changes to savings and investment proposals as detailed in the report.

1.4 The General Fund Revenue Budget proposals for 2020/21 include:

- a proposed increase of 3.99% on Council Tax including a 2% Adult Social Care precept, which, together with tax base[1] changes across the city, including business rates, will generate £8.564m;

[1] Tax base changes are driven by changes in the number or valuation of houses (for Council Tax) and changes in the number or rateable value of business premises (for Business Rates).

- provision for pay and price inflation, grant losses, and unavoidable contractual and financing commitments of £9.519m;
- a new social care grant of £4.715m from the government spending review;
- a savings programme of £9.059m to provide funding toward investment to support Corporate Plan commitments and other service pressures;
- investments to support Corporate Plan commitments and outcomes, cost increases and demand-driven service pressures of £12.967m;
- provision of a financial risk safety net of £0.750m.

1.5 The budget proposals are supported by Equality Impact Assessments where appropriate which must be considered by Members alongside the detailed budget proposals.

1.6 The proposed Capital Investment Programme for 2020/21 is set out in the Capital Strategy and includes a total programme of investments of £163.169m.

2 RECOMMENDATIONS:

2.1 That Policy & Resources Committee recommends to Council:

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

i) A general Council Tax increase of 1.99%;

ii) An Adult Social Care Precept increase of 2%;

iii) The council's net General Fund budget requirement for 2020/21 of £215.606m;

iv) The 2020/21 budget allocations to services as set out in the Budget book at Appendix 1 incorporating 2020/21 savings proposals;

v) The reserves allocations as set out in paragraph 3.16 and table 3;

2.1.2 That Council notes the updated Medium Term Financial Strategy included in the Budget Book at Appendix 1.

2.1.3 That Council approves the Capital Strategy for 2020/21 at Appendix 2 comprising:

i) The strategy for funding the investment in change, including the flexible use of capital receipts as set out in section 6;

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

iii) The Capital Investment Programme for 2020/21 of £163.169m included within the Budget book at Appendix 1 and incorporating allocations to strategic funds.

2.1.4 That Council notes the Equalities Impact Assessments to cover all relevant budget options and their cumulative effect as set out in Appendices 6 and 7.

2.1.5 That Council further notes the budget decision is an indicative resourcing decision to be taken in the context of the explanation in the Legal Implications paragraph 14.3.

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

i) The Annual Investment Strategy

ii) The Prudential and Treasury Indicators

iii) The Minimum Revenue Provision policy

iv) The authorised borrowing limit for the year commencing 1 April 2020 of £465m.

2.1.7 That Council notes that supplementary information needed to set the overall council tax will be provided for the budget setting Council meeting as listed in paragraph 9.3.

2.2 That Policy & Resources Committee agrees that the Acting Chief Finance Officer be authorised to make any necessary technical, presentational or consequential amendments to this report before submission to full Council.

3 RESOURCES AND LOCAL GOVERNMENT FINANCE SETTLEMENT FOR 2020/21

Local Government Finance Settlement and Tax base Forecasts

3.1 The final Local Government Finance Settlement (LGFS) is due to be announced in early February 2020 and will confirm the council's Revenue Support Grant (RSG) for 2020/21.

3.2 The table below shows the 2020/21 funding assessment for the council compared to 2019/20 along with the national percentage change.

Table 1: Funding Analysis	**Final 2019/20 £m**	**Provisional 2020/21 £m**	**Increase / (Decrease) £m**	**Change %**
Revenue Support Grant (RSG)	6.523	6.630	0.107	1.6%
Government assumed business rates income retained by the council	58.187	59.135	0.948	1.6%
Settlement Funding Assessment (SFA)	64.710	65.765	1.055	1.6%
National SFA Change				*1.5%*

3.3 The government-assumed level of business rates retained locally is used in the grant calculation and is different from the actual business rates forecast to be collected locally shown in the Budget Book at Appendix 1.

3.4 In December 2018 the government issued consultations on the Fair Funding Review and reforms to the Business Rates Retention system, both with a deadline for responses of February 2019. These proposed changes to local government funding were intended to be introduced in 2020/21 but have been deferred to at least 2021/22.

3.5 The provisional Local Government Finance Settlement included the continuation of the New Homes Bonus scheme (NHB) for a further year. However the councils increase in new properties up to September 2019 did not meet the minimum threshold and there was no new award for growth although an allocation of £0.031m was made relating to new affordable homes in the city. As NHB is allocated for a 4 year period the council's allocation from 4 years ago of £1.177m fell away resulting in a net reduction of £1.146m.

Adult Social Care (ASC) and Better Care Funding (BCF)

3.6 The Chancellor of the Exchequer presented a one year Spending Review on 4 September 2019. This included an announcement of an additional £1 billion Social Care funding nationally for 2020/21, a continuation of one-off improved Better Care

Funding (BCF) and allowing a further 2% Adult social Care precept. These announcements were confirmed in the provisional Local Government Financial Settlement.

3.7 All additional funding for Adult Social Care has been directed towards supporting the demand and cost pressures within the service. The table below summarises the resources available to support of Adult Social Care pressures in 2020/21:

Table 2: ASC Resources	**2019/20**	**2020/21**
Funding from taxation:		
ASC Precept	0% -	2% £2.900m
Funding from grants:		
Improved BCF (incl. Winter Pressure funding)	£9.181m	£9.181m
Adults and Children's Social Care Grant (one-off)	£2.100m	£2.100m
New Adult Social Care Grant	-	£4.715m

Referendum Threshold

3.8 The provisional Local Government Finance Settlement confirmed that the threshold at which an increase in council tax requires confirmation from a local referendum will be 4% including a 2% Adult Social Care precept. Any proposal to increase council tax by 4% or more would therefore need to be accompanied by an agreed substitute budget, which would need to be implemented if the increase were voted down by the electorate.

Forecast Business Rate Retention and Council Tax income for 2020/21

3.9 Details of the expected business rate retention income forecasts were set out in the report to the January 2020 meeting of the Policy & Resources Committee. The council is forecast to receive £67.077m from its locally retained share of business rates and Section 31 compensation grants in 2020/21. This is an increase of £2.090m compared with 2019/20.

3.10 The Council Tax taxbase report was also agreed by this committee in January 2020. Assuming a Council Tax increase of 3.99% and taking into account changes to the taxbase, the total projected Council Tax income in 2020/21 is £150.547m. This is an increase of £6.868m compared with 2019/20.

Other Government Grants

3.11 The grant allocations for 2020/21 have been included within the Budget Book at Appendix 1. Some grant allocations for next year have not yet been announced and where these are critical to the setting of the 2020/21 budget, an estimate has been included.

Fees and Charges

3.12 The council's Corporate Fees & Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by a minimum of either the corporate standard inflation rate (currently 2%), statutory increases, or actual increases in the costs of providing a service. Increasingly, linked to the council's approach to securing value for money in the provision of services, services are benchmarking non-statutory fees and charges with other providers and councils to ensure that charges are comparable and competitive within the local context, and can maximise income to protect essential services wherever feasible.

3.13 Non-statutory increases above the standard rate of inflation and changes to concessions or subsidies are normally considered by the relevant service committee in advance of budget proposals. Increases in fees and charges above the standard inflation rate are reflected in the Budget Book at Appendix 1.

Reserves Position and one-off funding

3.14 As set out in section 10 of the report, the council's General Fund working balance is recommended to continue at a minimum of £9m to meet general risks applicable to a unitary authority. This represents about 3 weeks Council Tax revenues.

3.15 The following table shows the projected general reserves position and one-off resources assuming spending is in line with the latest projections for 2019/20 as shown in the Targeted Budget Monitoring (TBM) month 9 report. The table includes the release of specific reserves, the net collection fund surplus and other one-off resources to offset the projected overspend and proposed allocations.

Table 3 – One-off Resources, Liabilities and Proposed Allocations	**£m**	**£m**
Unallocated general reserves	0.167	
Winter Shelter (Option 1) provision 2019/20	-0.035	
Planned contribution to 2023 local elections	-0.100	
Balance of General Reserves available		**+0.032**
Revenue Budget position 2019/20 (TBM):		
Forecast outturn overspend Month 9	-3.355	
Available 2019/20 financial risk safety net	+0.805	
Projected TBM outturn improvement (based on forecast trends)	+0.884	
Projected Net Position at Outturn 2019/20		**-1.666**
Collection Funds[2] position 2019/20:		
Estimated 2019/20 Council Tax collection fund deficit	-1.346	
Estimated 2019/20 Business Rates collection fund Surplus	+2.137	
S31 grants to compensate for increased Business Rate reliefs	+0.156	
Projected Collection Funds position		**+0.947**
Other One-off Resources		
Release of revenue funded modernisation reserves through switching funding to capital resources	+1.137	
Total Other One-off Resources		**+1.137**
Projected One-off Resources available at start of 2020/21		**+0.450**
Proposed One-off Allocations 2020/21:		
Approved allocation to Council Tax Reduction Discretionary Fund	-0.190	
Approved allocation to the support the Welfare Framework	-0.260	
Balance of One-off Resources		**0.000**

3.16 More information on the allocations from one-off resources in the table above is provided below:

[2] Collection Funds are separate accounts where taxation revenues received from the Council Tax and Business Rates are allocated and compared to the expected tax revenues for the year.

- Winter Shelter (Option 1) provision of £0.035m supports the recommended additional services for winter 2019/20 as reported to Policy & Resources Committee on 13 February 2020.
- A planned contribution to the 2023 local elections of £0.100m is provided for in order to build up budget provision in advance of the next local elections and avoid the entirety of costs (circa £0.400m) falling in any one financial year.
- Provision of £0.190m for the Council Tax Reduction Discretionary Fund to provide support for those in temporary hardship. This is on the evidence that discretionary funds are expected to be fully utilised in 2019/20 and reflects this committee's resolution to increase this fund at its December 2019 meeting;
- Support for the impacts of Welfare Reform in 2020/21: The allocation of £0.260m will provide for continuation of a range of advisory and signposting services as well as hardship and other discretionary social fund support as the council continues to assist vulnerable families and households through the implementation of national Welfare Reforms, particularly those impacted by changes such as the benefit cap.

3.17 In order to balance one-off resources, the table above includes the assumption that the in-year financial position will improve by a further £0.884m by the year-end. This is a prudential assumption based on a combination of:

- previous years' experience of managing forecast overspend risk;
- the anticipated effect of ongoing spending and recruitment restrictions across all non-essential, non-statutory services; and
- the underlying downward trend in the forecast position since month 5 (August).

4 INVESTMENTS TO SUPPORT CORPORATE PLAN COMMITMENTS AND SERVICE PRESSURES

4.1 The government's announcement of a one-year Spending Review leaves considerable uncertainty over local government funding beyond 2020/21 and therefore presents difficulties in planning for investment in longer term priorities and commitments. In this context, a new council Corporate Plan 'A fairer city, a sustainable future' clearly sets out the council's ambitions and commitments over the next 3 years and therefore a key challenge will be to ensure the funding and resources available to the council are used to best effect and redirected to support Corporate Plan commitments wherever possible while ensuring that critical and statutory services are maintained.

4.2 Achieving this will require innovative financing solutions, a continued drive to modernise the council and identify 'invest to save' opportunities to keep improving value for money across services as well as exploring all avenues for generating income or attracting external, community or partnership investment.

4.3 The Corporate Plan identifies that there are three key areas of concern for many residents and therefore prioritises:

- making the city carbon neutral by 2030;
- improving access to good quality housing and reducing homelessness and rough sleeping; and
- building community wealth so that local people and organisations benefit from prosperity in the city.

4.4 In support of these priorities and aiming for a fairer, sustainable city, the Corporate Plan identifies six outcomes that are supported by a range commitments and actions. The six outcomes are:

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

4.5 The investments necessary to support these outcomes will be developed over the medium term starting in 2020/21. However, many of these outcomes can be achieved through changing policy approaches, working in collaboration with public and third sector partners and using the council's influence as a community leader to engage businesses, residents and visitors in supporting these outcomes.

4.6 The proposed General Fund budget presented in this report has been tested against a set of principles outlined in the draft budget report to December Policy & Resources Committee and designed to ensure that both investments and savings align as far as possible with the Corporate Plan. However, it is recognised that the funding situation in local government, following 10 years of grant reductions of over £110m, means that there are still likely to be difficult choices to make to balance the budget.

4.7 A major investment area for the Corporate Plan relates to housing and homelessness including plans to deliver new build, affordable housing through the self-financing Housing Revenue Account (HRA) and other innovative General Fund schemes including the Housing Joint Venture. These plans are well advanced and are set out in detail in the Corporate Plan and the HRA Revenue and Capital Budget also reported to the February Policy & Resources Committee and Budget Council. A range of additional General Fund investments have also been identified to support the outcome of 'A City to Call Home' and these are set out below.

4.8 Other Corporate Plan investments are also set out in the table below under the relevant outcome to indicate how the General Fund budget supports their achievement. Significant investment relates to Children's Safeguarding & Care and Adult Social Care services to meet growing demands across the city and ensure that extensive services supporting the outcomes under 'A growing & learning city' and 'A healthy and caring city' are maintained and can meet new demands.

4.9 In total there are investments of £11.272m to support the Corporate Plan outcomes, which are enabled by proposed local taxation increases, including the Adult Social Care precept, and a substantial package of savings focused on delivering services at a lower cost through redesign and technological changes, or alternatively generating more income, particularly from non-statutory services. There are also additional investments of £1.695m to maintain and update the council's IT software estate and maintain important support functions that underpin delivery of front line services or contribute to delivery of savings programmes. The table below summaries the investments planned for 2020/21 against the Corporate Plan outcomes:

Table 4: Investment to support Corporate Plan Priorities and Other Service Pressures 2020/21		
Service Area/Outcome	**£m**	**Description**
Corporate Plan Investments:		
A Growing & Learning City		
Children's Safeguarding and Care	1.045	To support increasing demand and costs of Looked After Children to ensure the council can continue to provide extensive services for children in care and provide for their safeguarding and well-being.
Education and Skills	0.020	Investment to continue the Providing Access to Childcare Programme (PACE) by providing replacement for expiring European funding. PACE supports parents to take up free childcare for their children and supports them to return to work through a personal development plan and one-to-one support.
Education and Skills	0.020	To continue and expand the Raising Achievement in Early Literacy Programme (REAL) which aims to improve children's early literacy skills before they start school by working with and training parents to increase opportunities for learning in the home.
A Healthy & Caring City		
Adults Learning Disability Services	2.140	To support increased demand for and costs of community care packages and thereby enable people to live as independently as possible, particularly as they transition to adult care settings.
Adult Social Care	2.310	To meet increased demand for and costs of physical, memory & cognition, and mental Health services to ensure assessed needs can continue to be met and support people to maintain independence.
Adult social Care	1.550	Investment to cover reductions in Clinical Commissioning Group partner contributions (due to pressures on local NHS budgets) to ensure the council can maintain commissioned services that support vulnerable people, in particular Section 117 Mental Health aftercare services.
Adult and Children's social care	0.780	Investment to reinstate budgets previously reduced in respect of part of the planned 'sustainable social care' savings that cannot be safely delivered and to therefore protect the provision of social care services.
A Sustainable City		
Carbon Neutral	0.200	A range of investments to support feasibility studies and research, communication campaigns, partnership collaboration and financing costs of capital investment (SCRIF) to support climate change and carbon reduction policy development, initiatives and actions.
City Environmental Management	0.840	Investment to meet the increased cost of communal bin collection rounds alongside fleet management, replacement and financing costs to ensure a modern refuse and recycling

		service is maintained and well-placed to support increased recycling over the Corporate Plan period.
City Environmental Management	0.250	Provision to cover income pressures on commercial operations including garden and commercial waste to ensure that this does not impact on service provision and enables these services to continue to grow and support recycling and effective commercial waste management.
Sports and Leisure	0.100	Investment to address income pressures from the two council-owned golf courses enabling support for a new model of provision including rewilding and improved biodiversity of one of the courses and a sustainable long term business model for the other course.
City Environmental Management	0.070	Provision to cover cleaning cost pressures for public conveniences to ensure improved cleanliness and operation of public conveniences and maintain the City's attractiveness for residents and visitors alike.
City Environmental Management	0.030	Investment in trees, pavilions and roads throughout the parks estate to improve the parks' environment and contribute to carbon reduction.
City Development and Regeneration	0.010	One-off investment to undertake a detailed viability study for potential future options for the Madeira Terraces.
Sustainable Transport	0.005	One-off investment to provide for a detailed viability study for potential extension of Park and Ride schemes around the city.
A City to Call Home		
Private Rented Sector Housing Enforcement	0.150	New investment for 2020/21 following agreement of a new Enforcement Policy at Housing Committee on 13 November 2019. This is an additional investment for staffing resources (Private Sector Housing technical officers) required to fulfil the new Enforcement Policy due to be implemented in April 2020. It relates to Housing Act enforcement outside of existing self-funding licensing activity and will contribute to improve private rented sector housing standards.
Housing Welfare Services	0.260	Permanent investment to replace one-off funding agreed at Budget Council in February 2019. The funding contributes towards 7 FTE staff in the Housing Service to provide support to vulnerable residents in emergency and temporary accommodation.
365-day Night Shelter Service	0.250	Permanent investment to replace one-off funding agreed at Budget Council in February 2019. Funding contributes towards a 15 bed Night Shelter for rough sleepers and 29 units of supported accommodation. The service is externally commissioned (at St Patrick's) and is managed by the HASC commissioning team.
Short Term & Emergency Temporary	0.300	New investment for 2020/21 to support an estimated 100 properties being re-procured during 2020/21 to provide an enhanced service offer, over and above the current level of service. This

Accommodation		includes the provision of improved facilities, services (e.g. laundry facilities, wi-fi, etc) and an enhanced caretaker role.
Housing & Temporary Accommodation (TA)	0.300	Investment to meet the increased cost of and demand for Temporary Accommodation provision, particularly as the service transitions to a new model of provision, and cover for the Seaside Homes contractual rent guarantee which is in lieu of previously capped Local Housing Allowance rates.
Housing Benefits	0.150	Provision for the increased cost and number of vulnerable tenants in supported accommodation where housing benefit is not fully funded by government, enabling continued support for the Welfare Framework through the Revenues & Benefits team.
Winter Shelter	0.050	Investment to provide a weekend Winter Shelter service through November to March, open 7pm to 7am on Saturdays and Sundays for all rough sleepers.
A City Working for All		
Building Community Wealth	0.020	Initiatives funding to support development of policy and practice and engagement with businesses and partners across the city to enhance the local economy, improve social value in procurement and establish a circular economy framework.
Royal Pavilion Estate	0.100	Investment to meet financing costs arising from the additional cost of capital works following insolvency of the main construction contractor to enable this important visitor attraction to be completed to a high standard and support the visitor economy.
Life Events	0.265	Provision to alleviate income pressures caused by a reduction in demand for Statutory Certificates following the government's imposed fee increases and the cessation of the nationality checking service, enabling essential life event services to be maintained.
Sports & Leisure Outdoor Events	0.057	2-year investment to support hosting of the Women's European Football Championships in 2021 expected to generate additional visitors and economic activity for the city.
	11.272	**Total Corporate Plan Investments**
Other Corporate Service Pressures		
The investments below are not directly linked to Corporate Plan commitments but are essential to maintain and update the council's IT software estate and maintain important support functions that underpin delivery of front line services and enable the council to deliver greater cost economies and/or avoid unnecessary additional costs:		
Information Technology & Digital	0.500	Contractual licensing commitments including the Microsoft Enterprise Agreement to maintain the council's software estate and ensure secure and robust software is available to all services.
Information Governance	0.342	Unavoidable increased costs of responding to the substantial increase in demand for Subject Access Requests (SAR's) and to meet statutory compliance requirements.
Procurement & Contract	0.171	Permanent provision to replace one-off Modernisation Funding provided over the previous 3

Management Support		years to maintain support for achieving savings, cost avoidance and/or recovery for sub-standard contract performance from re-procurement and contract management activity.
Customer Services	0.170	Provision of recurrent funding to support the current model of service requiring enhanced security cover of council public and staff access points.
Other identified pressures	0.512	Other unavoidable above-inflation contractual and service cost increases across a range of priority services.
	1.695	**Total Corporate Service Pressures**
	12.967	**Total All Investments**

Grant Funding Pressures:

4.10 In addition to the above investments and service pressures, a small number of grant funding pressures were identified in the draft budget relating to anticipated grant losses. These have now been confirmed in the provisional Local Government Financial Settlement but may be subject to change when the final settlement is received. Provision is made for these unringfenced grant reductions to maintain overall funding and determine the savings requirement to balance the budget.

Table 5: Grant Funding Pressures:		
Service Area	**£m**	**Description**
Unringfenced grants	0.932	Loss of Business rates levy funding and other changes to unringfenced grants
New Homes Bonus Grant	1.146	Net reduction in grant allocation
Total Grant Funding Pressures	**2.078**	

5 SAVINGS PROPOSALS 2020/21

5.1 Taxation and precept increases together with additional resources provided by the Spending Review are not sufficient to balance the budget due to other grant reductions, the need to provide cover for pay and price inflation, and the need to provide investment to support Corporate Plan priorities and outcomes including funding to manage demographic pressures, above-inflation cost increases and other increases in demands across critical statutory services. To balance the budget therefore requires a substantial savings programme as in previous years. In this respect, savings of £9.059m have been identified for consideration in 2020/21 as detailed in Appendix 1.

5.2 Over the previous four years, the council has focused on identifying and delivering savings through its Modernisation Programme supported by significant capital investment. This was enabled by generating capital receipts from the sale of surplus assets to create an invest-to-save budget using the government's capital receipt flexibilities, which allowed capital receipts to be applied to revenue saving projects and programmes.

5.3 It is proposed that investment in Modernisation Programmes continues over the next 4 years as there are not only substantial savings and efficiencies to deliver in 2020/21 but savings will be required over the following 3 years to enable investment in Corporate Plan priorities and outcomes, and to meet growing demands for statutory services. The council also aims to improve value for money and continue modernising services as a matter of course because this ensures the best use of its resources and contributes to improved customer and digital services.

5.4 At present the government have only extended capital receipt flexibilities to 2021/22 however this could change. Regardless of this, there are other methods of funding invest-to-save programmes including unsupported borrowing where there is a good business case for doing so. Availability of capital receipts for modernisation is also anticipated to be at a much lower level over the next four years due to high demand for other priority capital investments and fewer assets available or suitable for disposal.

5.5 Given the lower projected level of savings in 2020/21 and potentially over the following 3 years, a proportionately smaller Modernisation Programme of £15

million is proposed over the 4-year period which will provide essential enabling investment as follows:

- **Budget Plans (Invest-to-save):** Based on the experience of the previous 4 years, £2.0m is estimated to be required to support implementation of specific savings and efficiency programmes including service redesigns, recommissioning and process improvements. Investment requirements are currently being reviewed and finalised and will be refreshed each year. This resource will be held in a reserve and only released through review of business cases by the officer Corporate Modernisation Delivery Board. Committee approvals will also be sought where required by Financial Regulations and the council's constitution.

- **Customer Digital:** £3.5m is anticipated to be required over the next 3 years to support ongoing investment in digital infrastructure and applications and to support continued development of the council's digital services and integration of data across systems and services to improve the accessibility, efficiency and ease-of-use of on-line services. The investment is set at a lower level than in the previous four years as the underpinning work to develop the necessary technology platforms has been completed.

- **Modernisation Enablers:** £4.3m is estimated to be required to support ongoing change and modernisation programmes over the 4-year period. This includes everything from an effective project management support team, business improvement analysts, workstyles property team support, investment in 'Our People Promise' including staff development and skills programmes, together with additional specialist support where required. This investment has been scaled down to reflect the lower level of expected budget gaps over the next 4 years.

- **Managing staffing changes**: efficiency programmes and a continual drive for improved value for money will often result in changes in the level or mix of staffing and skills required across the council. Changing staffing levels or skills will often need financial consideration in order to effect voluntary severance for roles or posts no longer required or needing to be replaced with different roles or skills. Estimated resources of £2.0m are required to meet severance costs to manage change.

- **IT Modernisation Investment:** Investment in IT equipment, software, systems and services (e.g. voice and data) is important to enable the organisation to remain secure, resilient and efficient. Historically, the organisation has suffered from long periods of under-investment which has had to be addressed over the last 4 years through approval of large IT Capital Schemes including Windows 10 roll-out, replacement of the Housing and Social Care systems, General Data Protection Regulation upgrades, etc. Minimum IT Modernisation Investment of £3.2m is included here in an attempt to avoid a similar build-up of IT 'investment backlog' by supplementing existing budgets and enabling the council to keep up with necessary infrastructure changes.

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

Table 6: Indicative Modernisation Fund					
Programme Area	**2020/21**	**2021/22**	**2022/23**	**2023/24**	**Total**
	£m	£m	£m	£m	**£m**
Customer Digital	1.750	1.000	0.750	0	**3.500**
Modernisation enablers	1.510	0.920	0.930	0.940	**4.300**
Invest to Save (4-Year Plans)	0.650	0.550	0.450	0.350	**2.000**
Managing staffing changes	0.700	0.500	0.400	0.400	**2.000**
IT Modernisation Investment	0.800	0.800	0.800	0.800	**3.200**
Total	**5.410**	**3.770**	**3.330**	**2.490**	**15.000**

5.7 In 2020/21 the Modernisation Programme will support and enable the proposed savings of £9.059m. The broad categories of modernisation and savings activities are as follows:

Table 7: Savings Programme Areas		
Category	**Rationale**	**Amount (£m)**
Service Delivery Model Changes	Improving value for money can often be achieved through service redesign and remodelling or through re-commissioning or re-providing services in more effective ways based on best practice models and research.	1.449
Efficiency & Other VFM savings	Services can and should strive for cost efficient service delivery that provides good value for money. This means continually exploring opportunities including skills development, process redesign and utilising new technologies or digital investment to improve services and/or reduce operational costs.	4.309
Income Optimisation & Enterprise Strategy	The council continues to explore innovative business opportunities for generating income such as developing new chargeable services, benchmarking fees & charges to alternatives, or vying for public sector service contracts where practicable. Savings through effective procurement and contract management are also important.	2.696
Collaboration	The Orbis Shared Service with Surrey and East Sussex County Councils aims to achieve cost reductions across support functions through scale economies, sharing best practice and investing in improved and integrated processes and teams. Other collaboration opportunities, including procurements, are also explored where these can help to share or reduce overall costs.	0.605
Total Savings 2020/21		**9.059**

Changes from the Draft Budget Proposals

5.8 The draft budget proposals were submitted to the 5 December 2019 meeting of the Policy & Resources Committee. At that time a remaining budget flexibilty of £0.307m was reported. The proposals submitted in this report update the draft budget for revised budget projections, assumptions and inflationary estimates and for changes in resources arising from a final review of the tax bases (as reported to the January Policy & Resources Committee) and from the Local Government Finance Settlement.

5.9 This report also reflects changes to savings proposals within the Budget Book at Appendix 1 and identifies new or additional investments in priorities following ongoing consultation and engagement in respect of all aspects of the draft budget proposals.

5.10 In summary, the main changes are:

- An overall reduction in resources of £0.404m confirmed by the Local Government Financial Settlement (LGFS) consisting of:
  - the allocation from the national £1bn additional Adult Social Care grant funding being £0.404m lower than projected due to the adoption of a less favourable distribution methodology;
  - a slightly higher than projected award for the New Homes Bonus Grant of £0.031m; and
  - a slightly lower than projected Revenue Support Grant award due a movement in the rate of inflation of £0.031m.
- A reduction in the net recurrent resources from the final determination of the Council Tax and Business Rate tax bases for 2020/21 of £0.017m;
- The Triennial Review of the East Sussex Pension Fund has resulted in a reduction in employer pension contributions in 2020/21 of (£0.825m) compared with previous planning assumptions;
- Discussions with the Brighton & Hove Clinical Commissioning Group have confirmed that 2019/20 funding will be rolled-forward for 2020/21. This releases £0.500m contingency held against expected funding reductions in 2020/21. This has been applied to reduce the savings proposal on Adult Learning Disability services from £1.970m to £1.470m to provide a more achievable proposal including providing additional lead-in time for consultation and engagement with all interested parties.
- Increased investment to meet service pressures of £0.363m consisting of:
  - A revised estimate of the additional staffing required to ensure compliance with statutory response requirements for Subject Access Requests (SARS) of £0.092m;
  - Permanent provision of £0.171m to replace one-off Modernisation Funding over the previous 3 years to ensure continued support for achieving efficiencies and savings from new tenders, re-procurements and contract management activity;
  - Provision for additional financing costs of £0.100m to ensure completion of the Royal Pavilion Estate works arising from the additional cost of capital works following insolvency of the main construction contractor.

- Additional investments of £0.360m in support of Corporate Plan priorities and outcomes including support for Carbon Neutral initiatives, additional resources for Private Rented Sector enforcement, weekend winter shelter provision for rough sleepers, and investments to improve children's literacy and facilitate access to childcare as detailed in Table 4 above;
- Additional one-off investments of £0.015m to undertake detailed viability studies for the future options for the Madeira Terraces and potential Park and Ride schemes around the city. These are also included in Table 4 above.
- Reversal of the proposed saving of £0.035m on the Violence Against Women & Girls (VAWG) commissioned service due to continuing high levels of referrals;
- Reduction of the proposed saving on the Communities, Equalities & Third Sector team by £0.061m to ensure a more achievable proposal that will not impact on priorities for supporting a diverse and welcoming city, supporting those most affected by austerity, and upholding the council's legal obligations under the Public Sector Equality Duty;
- Exclusion of Doctors from proposed permit increases, reducing the proposed savings across Parking Services by £0.010m;
- Other net improvements to commitments and estimates of (£0.133m).

Overall, the changes since the draft budget report allow a balanced budget to be presented.

Staffing Implications (General Fund Services)

5.11 It is estimated that in 2020/21, approximately 52 posts are expected to be removed from the council's staffing structure as a result of the savings proposals set out in Appendix 1. However, actual numbers will be dependent on the detailed options proposed and on the results of formal consultation where required. As previously experienced, it is likely that the majority of these posts are already being held vacant and some will become vacant through normal turnover.

5.12 It is planned to support staff at risk of redundancy through:

- Providing appropriate support to staff throughout the change process to enable them to maximise any opportunities available;
- Controlling recruitment and ensuring there is a clear business case for any recruitment activity;
- Managing redeployment at a corporate level and maximising the opportunities for movement across the organisation;
- Managing the use of temporary or agency resources via regular reports to Directorate Management Teams (DMT's).

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

5.14 Whilst the focus will be on redeployment of staff, every effort will be made to reduce the impact of the proposals, including offering voluntary severance where appropriate to staff affected by budget proposals on a case by case basis. This targeted voluntary approach to releasing staff in areas undergoing change will be managed to support service redesigns whilst ensuring that the organisation retains the skills that will be needed for the future.

6 CAPITAL STRATEGY 2020/21

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

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

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

Major Capital Investment Programmes

6.3 **Education:** The government announced the allocation for 2020/21 for new pupil Basic Need of £2.879m. Allocations for future years will be subject to the outcome of the Spending Review, which is expected to follow later in 2020. Education Capital Maintenance funding of £4.8m is anticipated annually and is subject to confirmation. A detailed Education Capital Programme report is expected to be presented to Policy & Resources Committee in March 2020.

6.4 **Housing:** The Housing Revenue Account (HRA) Capital Programme elsewhere on this agenda includes investment proposals that aim to create a long-term sustainable asset base that underpins the Corporate Plan outcomes under 'A City to Call Home' and best meets the needs of residents and the City as a whole. The HRA capital strategy focuses on meeting council priorities through building new homes and improving the quality, safety and sustainability of the existing housing stock. The HRA capital strategy includes substantial investment of £58.383m in the housing stock and new homes in 2020/21 and aims to ensure that investments reach beyond the housing service and contribute to regeneration, tackling inequality, creating training and employment opportunities and improving sustainability.

6.5 The council has also entered into a Living Wage Joint Venture with Hyde Housing to deliver up to 1,000 new lower cost rental and sale homes. The original business plan includes up to £120m investment with the council providing half of that funding through borrowing and capital receipts with no net cost to the council and all net costs being met through the Joint Venture business plan.

6.6 **Sustainable Transport:** The council secures capital funding for transport schemes through the government's Local Transport Plan (LTP) process. The LTP provides support for the council's strategic transport objectives and the city's Sustainable Community Strategy. LTP funding has yet to be confirmed but indicative figures for 2020/21 of £5.169m have been announced for the Integrated Transport and Maintenance Block allocations. Further transport allocations from the Pothole Action Fund (£0.189m) and the Highways Maintenance Incentive Fund (£0.400m) are also forecast to be received in 2020/21. The Street Lighting invest-to-save project has also been included within the Capital Investment Programme and includes over £4.1m of investment over 2 years from a combination of borrowing and LTP

contributions. A detailed Local Transport Plan report is expected to be presented to Policy & Resources Committee in March 2020.

6.7 **Royal Pavilion and Stanmer Estates:** The council has developed ways of providing major capital investment in the city by working with partners, for example, the Heritage Lottery Fund (HLF), Arts Council England (ACE) and the Coast to Capital Local Enterprise Partnership (C2C LEP). Recent bids include Arts Council, LEP funding and HLF funding totalling £12.922m towards the £22.945m phase 1 capital works for the Royal Pavilion Estates Regeneration project. Other resources for this project include external fundraising and match funding from the council and Brighton Dome & Festival Ltd. Further bids to HLF will be prepared and submitted for subsequent phases of the works including phases 2 and 3.

A development grant from the HLF of £3.790m (Parks for People grant) has also been awarded to develop detailed plans to support the Stanmer Estate Restoration Project proposals. This has been supplemented with capital receipt funding to support the works which are due to complete in the summer of 2020.

6.8 **Madeira Terraces:** a total of £2.440m capital investment has been identified to support restoration of the Madeira Terraces including work on the first three crowdfunded arches at the western end of the terrace. The council is currently in the process of appointing the design team whilst exploring further funding options for more extensive restoration.

6.9 **Local Growth Fund:** In addition to the successful Royal Pavilion phase 1 bid, Local Growth Fund has been awarded from the Coast to Capital Local Enterprise Partnership (C2C LEP) to support investment for Valley Gardens Phases 1 & 2 at £8.0m and £6.0m for Valley Gardens phase 3. There is also a confirmed award of £12.111m towards the Black Rock Enabling Works / Brighton Waterfront development plus £0.833m toward the Brighton Research and Innovation Fibre Ring

6.10 **Strategic Funds:** The council sets aside resources for a number of strategic funds that enable it to underpin other strategies including regeneration schemes, Asset Management Plans and its IT&D Strategy and infrastructure. The planned allocations to strategic funds are as follows:

6.11 Strategic Investment Fund (SIF) - it is proposed to continue to allocate £0.250m to the Strategic Investment Fund each year. The council has ongoing commitments to major projects that require financial support to enable and expedite their progression. This support takes the form of project management, legal fees and specialist advisors for finance, design, architectural, transport, engineering and other external specialists.

6.12 Information Technology & Digital (IT&D) Fund - it is proposed to continue to allocate £0.500m resources per annum to the IT&D Fund which provides a minimum level of investment to continually maintain the council's IT infrastructure, networks, security and equipment. This is augmented with additional capital investment in years where major infrastructure investment is required. In this respect, significant investment is required in 2020/21 for Customer Digital, the desktop and laptop replacement programme and further IT&D modernisation investment. This requires investment of £2.8m, which can be financed from capital receipts and low cost PWLB borrowing and will increase financing costs from 2021/22 as reflected in the Medium Term Financial Strategy.

6.13 Asset Management Fund (AMF) - it is proposed to continue to allocate £1.0m resources per annum to the Asset Management Fund. The AMF includes

expenditure on a range of properties covering, fire safety, health & safety, Equalities Act 2010 responsibilities and general improvements. Allocations from the AMF will be subject to a further report to Policy & Resources Committee in March 2020.

7 BUDGET BOOK AND MEDIUM TERM FINANCIAL STRATEGY 2019/20

7.1 The 2020/21 Budget Book at Appendix 1 aims to support understanding and transparency of the council's budget by providing:

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

7.2 The Medium Term Financial Strategy (MTFS) planning assumptions, resource and expenditure estimates are also included within the Budget Book at Appendix 1. The MTFS does not reflect government's proposed changes for 75% Business Rates Retention or any assumptions regarding the Fair Funding Review and therefore the impacts are assumed to be cost neutral at this stage. The government's Spending Review only covered 2020/21 and therefore assumptions for 2021/22 are based largely on rolled-forward funding at this time.

7.3 The MTFS has been revised to reflect the latest cost, income and demand pressures and the proposed 3.99% council tax increase, including a 2% Adult Social Care precept. The Table below summarises how the budget is expected to change from 2019/20:

Table 7: Analysis of budget changes	**£m**
Revised 2019/20 base budget	**206.144**
Pay and Inflation	5.579
Commitments (net change)	2.596
Increased Adult Social Care grant funding	-4.715
Increased Section 31 Business Rates compensation grant funding	-0.390
Service Investments and Service Pressure Funding	12.967
Grant Funding Pressures	2.078
Change in contributions from reserves	0.406
Savings package 2020/21	-9.059
Proposed Base Budget 2020/21	**215.606**

8 TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY

8.1 The Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy (AIS) are now incorporated in the budget report to ensure that inter-related

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

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

8.3 The recommended TMSS at Appendix 3 follows the drafting format recommended in the Treasury Management Code of Practice. The Treasury Management Practices and schedules identify the practices and procedures that will be followed to achieve the aims of the TMSS and that underpin the council's Treasury Management function. These practices remain unchanged from previous years and are considered 'best practice' under the Code.

8.4 The Annual Investment Strategy (AIS) for 2020/21 is also incorporated within Appendix 3 to this report. The AIS gives priority to security and liquidity.

8.5 Security is achieved by:

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

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

8.7 There are no changes to the strategy from 2019/20.

9 COUNCIL TAX SETTING

9.1 The Administration is proposing a council tax increase of 3.99% which includes a 2% Adult Social Care precept allowed by government within the local government finance settlement. A council tax increase of 3.99% results in a Band D council tax of £1,659.11 for the council's element, an increase of £63.66 from 2019/20; of this increase £31.90 relates to the Adult Social Care precept.

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

Supplementary Budget Report to Budget Council

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

- The final Local Government Finance Settlement 2020/21
- Any other grants that are announced before Budget Council.
- The agreed Council Tax set by East Sussex Fire Authority and Sussex Police and Crime Commissioner.
- The statutory Council Tax calculations required under the 1992 Local Government Finance Act.

- The full budget and Council Tax resolution for Budget Council.

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

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

Robustness of Estimates

10.2 There is inevitably an element of judgement in drawing up budget estimates of expenditure and income which are made at a point in time and may change as circumstances change. This statement about the robustness of estimates cannot give a complete guarantee about the budget but provides the council with reasonable assurance that the budget has been based on the best information and assumptions available at the time, particularly in relation to demand-led budget predictions, and has considered identifiable risks.

10.3 For 2020/21, funding of £12.967m has been provided to support Corporate Plan priorities and outcomes including meeting growing demands across Adults Social Care and Children's Safeguarding & Care services as well as other priority areas experiencing unavoidable cost pressures. This level of investment substantially mitigates predicted demand-led service pressures at the time of setting the budget. This considerably lessens potential forecast risks in 2020/21 but cannot completely remove all risks and therefore services will need to continue to contribute to the mitigation of residual risk through management of non-statutory, non demand-led budget areas as normal. This minimises the level of any risk provisions required over and above the council's current working balance. In addition:

- The authority continues to demonstrate its long track record of managing within or close to budget despite the very challenging financial climate. At month 9 this year, the forecast overspend has been managed down to £0.884m and it is expected that break-even can be achieved by year-end. The authority's track record demonstrates that it can manage risk across demand-led statutory services of between 2% and 3% of the total net budget through effective management of non-statutory budgets and services;
- The authority continues to enable and achieve substantial savings through its Modernisation Programmes which have enabled re-investment to support priority areas, meet cost pressures and growth in demand for statutory services, and address remaining budget gaps;
- Although there are risks in relation to Section 75 partnership arrangements and pressures on Clinical Commissioning Group (NHS) budgets, including the Better Care Fund, the authority continues to work closely with the Clinical Commissioning Group to jointly manage and mitigate risks as far as practicable;
- The authority has maintained adequate reserves and provisions against other known and identified risks and has made no unplanned drawdown of its reserves or balances;
- The authority has set aside appropriate one-off, discretionary resources and funding to mitigate the impacts of Welfare Reforms including a Council Tax Reduction Scheme discretionary fund and Welfare Framework fund.

10.4 Based on financial performance over the previous 4 years and taking into account identified risks as set out in Appendix 5, a financial risk provision of £0.750m is recommended, striking a balance between the pressing demands for funding and providing resources to mitigate identified risks. The council is also recommended to maintain its minimum working balance of £9.000m as well as other earmarked reserves to manage any short term pressures. The two risk provisions are described below:

- **Financial risk safety net provision**: Provision of £0.750m is recommended to cover general financial performance risks including achievement of savings and forecast risks, and would be a first call if 2019/20 financial performance results in a year-end overspend. Assuming that 2019/20 achieves break-even or better, the risk provision would be available, as intended, to help to mitigate risks arising in 2020/21 such as higher than expected demand for statutory services, non-achievement of planned savings or lower income from fees and charges than budgeted, etc. Note that financial performance, including achievement of savings, is monitored through the Targeted Budget Management (TBM) process.
- **General Fund Working Balance**: The working balance must last the lifetime of the authority and the level is recommended to remain at £9.000m which is approximately 4% of the General Fund and represents around 3 weeks' council tax income. The working balance must mitigate general legal and financial risks including appeals and challenges, as well as potential billing failures, civil contingencies and other emergencies.

Adequacy of Reserves

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

10.6 As indicated above, current analysis of authority-level risks indicates that a working balance at a level of £9.000m is prudent having taken into account all known and foreseeable risks in relation to the 2020/21 budget.

10.7 All specific reserves have been reviewed in detail to ensure they are set at an appropriate level as set out in Appendix 4. The council's earmarked reserves fulfil specific legal or financial requirements, for example the Insurance Fund Reserve, and are not therefore available to support the annual revenue position.

Assurance Statement of the Council's Section 151 Officer

10.8 In relation to the 2020/21 General Fund revenue budget, the Section 151 Officer has examined the budget proposals and considers that, whilst the spending and service delivery proposals continue to be challenging, they are nevertheless achievable with effective governance and accountability at all levels. The 2019/20 financial position, although very challenging, indicates that the council is continuing to manage its financial risks.

10.9 In terms of the adequacy of reserves, the Section 151 Officer considers a working balance of £9.000m for 2020/21 to be adequate, taking into account other available reserves and the council's track record in budget management.

Schools Funding and Balances

School Balances

10.10 The level of school balances as at 31/03/19 was £4.225m, an increase of £2.222m from £2.003m as at 31/03/18. The £4.225m balance is split across phases as follows:-

Table 8: School Balances				
Phase	**2018/19 £'000**	**Percentage of budget 2018/19**	**2017/18 £'000**	**Percentage of budget 2017/18**
Nursery	64	8.25%	53	8.43%
Primary	3,812	5.15%	2,512	3.48%
Secondary	(11)	(0.02%)	(484)	(0.93%)
Special and Alternative Provision (AP)	360	4.24%	(78)	(0.71%)
Total	**4,225**	**3.14%**	**2,003**	**1.47%**

Note – Special includes the Connected Hub and Pupil Referral Unit (PRU)

10.11 There are a total of 11 schools (out of 64) with deficit balances, a decrease from 15 as at the end of 2017/18. The split of deficit balances across phases is 6 Primary, 4 Secondary and 1 Special. School budget plans for 2019/20 have incorporated these deficits.

Schools Funding

10.12 The Department for Education published final Schools Block datasets and allocations for 2020/21 on the 19 December 2019.

10.13 During Autumn 2019 a number of proposals were made concerning the operation of the funding formula for 2020/21. These proposals were subject to consideration by the Schools Forum and Schools Block Working Group. These changes are summarised below and follow the principle of moving towards the National Funding Formula (NFF) on a gradual basis:

- increase the unit values of core formula factors by 3.9% with any additional increase being applied to the low attainment factor
- include a mandatory factor to ensure that minimum funding per pupil levels (excluding premises factors) are set at £3,750 for primary schools and £5,000 for secondary schools
- increase the basic entitlement (age weighted pupil unit) factor by the balance of funding available after applying increases to other factors
- retain a lump sum of £130,000 per school
- incrementally extend the use of the ever-6 free school meals and the income deprivation affecting children index (IDACI) factors as previously agreed by Forum
- apply a minimum funding guarantee of +0.50% per pupil
- seek to maintain the current funding ratio between primary and secondary

10.14 Following the publication of the October 2019 census dataset by Department for Education in December 2019 it became apparent that the number of children eligible for deprivation funding had increased (particularly in the Free School Meals category) whilst the number of children attracting low attainment funding had

reduced. The impact of this (assuming the LA maintained the unit rates proposed at December Forum) would have been to increase the proportion of funding being allocated through deprivation but reduce the proportion through low attainment. Therefore, it was agreed at the January Forum that the unit values for deprivation would be decreased and the unit values for attainment increased.

10.15 The introduction of the new mandatory factor to ensure that minimum funding per pupil (MFPP) levels (excluding premises factors) are set at £3,750 for primary schools and £5,000 for secondary schools has a significant impact on the distribution of funding to schools. The introduction of this factor means that the schools who have historically received the lowest levels of funding on a per-pupil basis will receive an additional allocation within their budget share to boost their funding levels to the minimum thresholds. This will particularly apply to schools that receive relatively low amounts of funding through the deprivation and low attainment formula factors. These schools are likely to receive higher per pupil increases than most other schools in 2020/21.

10.16 LAs will continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2020/21 must be between +0.50% and +1.84% per pupil. This is a change and will allow LAs to mirror the real terms protection in the NFF, which is the Government's expectation. For 2020/21, Brighton and Hove will apply the MFG at a rate of +0.50%. The rationale for adopting this approach is twofold:

- an MFG of +0.50% continues to offer a degree of protection to schools that are not otherwise gaining funding on a per pupil basis. However, the LA also believes that schools, who are gaining through characteristics identified in the formula, should receive a fair proportion of their gains – a higher level of MFG will mean that the scaling back of formula gains would increase
- an MFG protection of greater than +0.50% would effectively 'lock in' more historical funding

10.17 The application of the formula on the basis outlined means that the primary / secondary funding ratio is now 1:1.29. This is a very small change from the 2019/20 ratio of 1:1.30, and has moved due to the additional funding allocated to primary schools to achieve the requirements of the minimum funding per pupil thresholds.

11 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

11.1 The budget process allows all parties to engage in the examination of budget proposals and to put forward viable alternative budget and council tax proposals to Budget Council on 27 February 2020. Budget Council has the opportunity to debate the proposals put forward by this Committee at the same time as any viable alternative proposals.

11.2 Any alternative proposal will need prior assessment by the Section 151 Chief Finance Officer and will not normally be allowed where an estimate is not considered to be robust for one of the following reasons:

i) The risk of not achieving the saving is assessed to be high;
ii) There is insufficient evidence or information to assess the potential saving;
iii) The alternative proposal is adding to or bringing forward an existing saving without further information as to how this can be achieved;
iv) The alternative proposal requires one-off investment or loan financing that cannot be supported;
v) The alternative proposal is beyond the powers and duties of the local authority.

12 COMMUNITY ENGAGEMENT & CONSULTATION

12.1 General information and advice about the council's budget will continue to be provided through the council's web site which answers common questions ('Behind the Budget'), provides information about spending on services and where the money comes from as well as links to key financial statements and committee reports.

12.2 The council has also widely publicised its online social media inviting residents and stakeholders to give us their views and ideas on Twitter via #BHBudget. Social media continues to be a key, low cost, mechanism for engaging with residents and other stakeholders. Key proposals from the budget are publicised, along with information about council services, and questions and comments invited from residents over the period leading to the February Policy & Resources Committee and Budget Council meetings.

12.3 Frequently asked questions and common themes emerging throughout the development of the budget have been monitored and responded to in our 'Behind the Budget' web page: https://www.brighton-hove.gov.uk/content/council-and-democracy/council-finance/behind-budget

12.4 The frequently asked questions and themes include:

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

12.5 Consultation and feedback in relation to the 2020/21 budget proposals is also promoted and invited from all quarters through a range of engagement processes including:

- Ongoing discussions with key City Partners in developing proposals including discussions about associated Equality Impact Assessments. Feedback has been provided directly to services and members as appropriate.
- The Schools Forum, attended by representatives of all school phases, where a report on the potential areas of interest and potential impact of the General Fund budget proposals were discussed at a meeting on 16 January 2019. This is a public, minuted meeting and agenda and minutes are available on the council's website.
- Meetings with Trades Unions branch secretaries and Departmental Consultative Groups (DCGs) which provides an opportunity for consultation with Trades Unions' representatives across all council services and ensures they are aware of areas where their members may need support.
- Invitations to representatives of the business community to discuss budget proposals and changes to business rates and reliefs.

13 CONCLUSION

13.1 The council is under a statutory duty to set its budget and council tax before 11 March each year. This report sets out the budget assumptions to be used as the basis for Council Tax calculations in order to meet the statutory duty. Only revenue and capital proposals for 2020/21 and associated council tax decisions require formal approval in February 2020. The full details of 2020/21 revenue and capital budgets are set out in the appended Budget Book. The Medium Term Financial Strategy and capital investments starting after 2020/21 are for noting only.

14 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

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

Finance Officer Consulted: James Hengeveld *Date: 31/01/20*

Legal Implications:

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

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

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

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

14.6 The determination of whether a relevant basic amount of council tax is excessive must be made in accordance with principles determined by the Secretary of State. The Ministry for Housing, Communities & Local Government (MHCLG) has stated that for the 2020/21 financial year, an increase of 4% or more, including the Adult Social Care precept, will be regarded as excessive. Therefore, local authorities opting for an increase of 4% or more (including the Adult Social Care Precept) will be required to hold a referendum.

14.7 Policy & Resources Committee has delegated power to formulate the council’s revenue budget proposals, Capital Strategy, including the capital investment programme, and the Treasury Management Strategy Statement, including the

Annual Investment Strategy, and to recommend their adoption by full Council as part of the overall budget setting process.

Lawyer Consulted: Elizabeth Culbert *Date: 31/01/20*

Equalities Implications:

14.8 In Brighton & Hove City Council a budget Equality Impact Assessment (EIA) process has been used to identify the potential disproportionate impacts of proposals on groups/individuals covered by legislation (the 'protected characteristics' in the Equality Act 2010) and actions to mitigate these negative impacts or to promote positive impacts. This is a key part of meeting the requirements of the Act and demonstrating that the council is doing so. The potential impacts identified, and how far proposed actions mitigate them, must be given due regard by decision-makers at each stage of the budget-setting process. However, as noted under legal implications above, in setting the budget, members are making resourcing decisions which remain subject to compliance with all necessary legal and statutory consultation requirements.

14.9 All proposals with a potential equalities impact on service-users or staff in 2020/21 have had an EIA completed (provided in Members' rooms and on-line), and this is cross-referenced within the savings proposals in Appendix 1. Staffing EIAs are also being used in the formal consultation process on proposed staffing changes.

Sustainability Implications:

14.10 The new Corporate Plan, 'A fairer city, a sustainable future', outlines the commitment to a Climate Assembly to develop a wide range of carbon reduction initiatives aimed at achieving a carbon neutral city by 2030 alongside improving recycling and sustainable travel planning. The budget has been set in the context of the government's one-year Spending Review and identifies capital and revenue investments to support the Corporate Plan outcomes for 'A sustainable city', however, further investments will need to be considered and developed as part of the Medium Term Financial Strategy when the government announces its longer term spending plans.

Any Other Significant Implications:

Risk and Opportunity Management Implications:

14.11 The budget proposals include recommended risk provisions to manage a range of general and specific risks, including maintaining the working balance at £9m. The level of risk provisions clearly needs to strike a balance between putting scarce resources to one side at a time when vulnerable people's reliance on essential public services is continuing to grow, as evidenced by demands across Adult Social Care and Homelessness services.

14.12 To this end, the budget report includes the Chief Finance Officer's formal assessment of the robustness of estimates in the budget and the adequacy of reserves and provisions, including an assessment of the need for any additional risk provisions. This is set out in section 10 of the report.

SUPPORTING DOCUMENTATION

Appendices:

1. Budget Book 2020/21

2. Capital Strategy 2020/21
3. Treasury Management Strategy Statement 2020/21
4. Review of Reserves
5. Assessment of Risks
6. Equalities Impact Assessment – Cumulative Impact Statement
7. Equalities Impact Assessment – Individual Assessments

Background Documents

1. Budget files held within Finance
2. Consultation papers

Brighton & Hove City Council

Budget Book 2020/21

&

Medium Term Financial Strategy

2020/21 to 2024/25

Brighton & Hove City Council

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Revenue Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
107.093	Families, Children & Learning	109.416	(17.707)	**91.709**	21.055	**112.764**	887.7
62.246	Health & Adult Social Care	120.918	(56.872)	**64.046**	4.331	**68.377**	639.8
64.626	Economy, Environment & Culture	107.371	(68.786)	**38.585**	26.364	**64.949**	1,047.5
18.681	Housing, Neighbourhoods & Communities	38.142	(22.045)	**16.097**	3.550	**19.647**	261.9
7.219	Finance & Resources	143.081	(124.207)	**18.874**	(12.168)	**6.706**	475.5
0.767	Strategy, Governance & Law	9.275	(4.148)	**5.127**	(4.101)	**1.026**	150.9
260.632	**Service Areas Total**	**528.203**	**(293.765)**	**234.438**	**39.031**	**273.469**	**3,463.3**
(57.049)	Centrally Managed Budgets	15.331	(30.141)	**(14.810)**	(43.053)	**(57.863)**	0.0
203.583	**General Fund Total**	**543.534**	**(323.906)**	**219.628**	**(4.022)**	**215.606**	**3,463.3**
-	Dedicated Schools Grant Funded (DSG)	194.319	(195.519)	**(1.200)**	1.200	**-**	115.0
-	Housing Revenue Account (HRA)	59.370	(62.192)	**(2.822)**	2.822	**-**	487.7
203.583	**BHCC Revenue Total**	**797.222**	**(581.616)**	**215.606**	**-**	**215.606**	**4,066.0**

Note that the figures quoted throughout the Budget Book may include minor rounding differences.

2020/21 Revenue Budget Breakdown

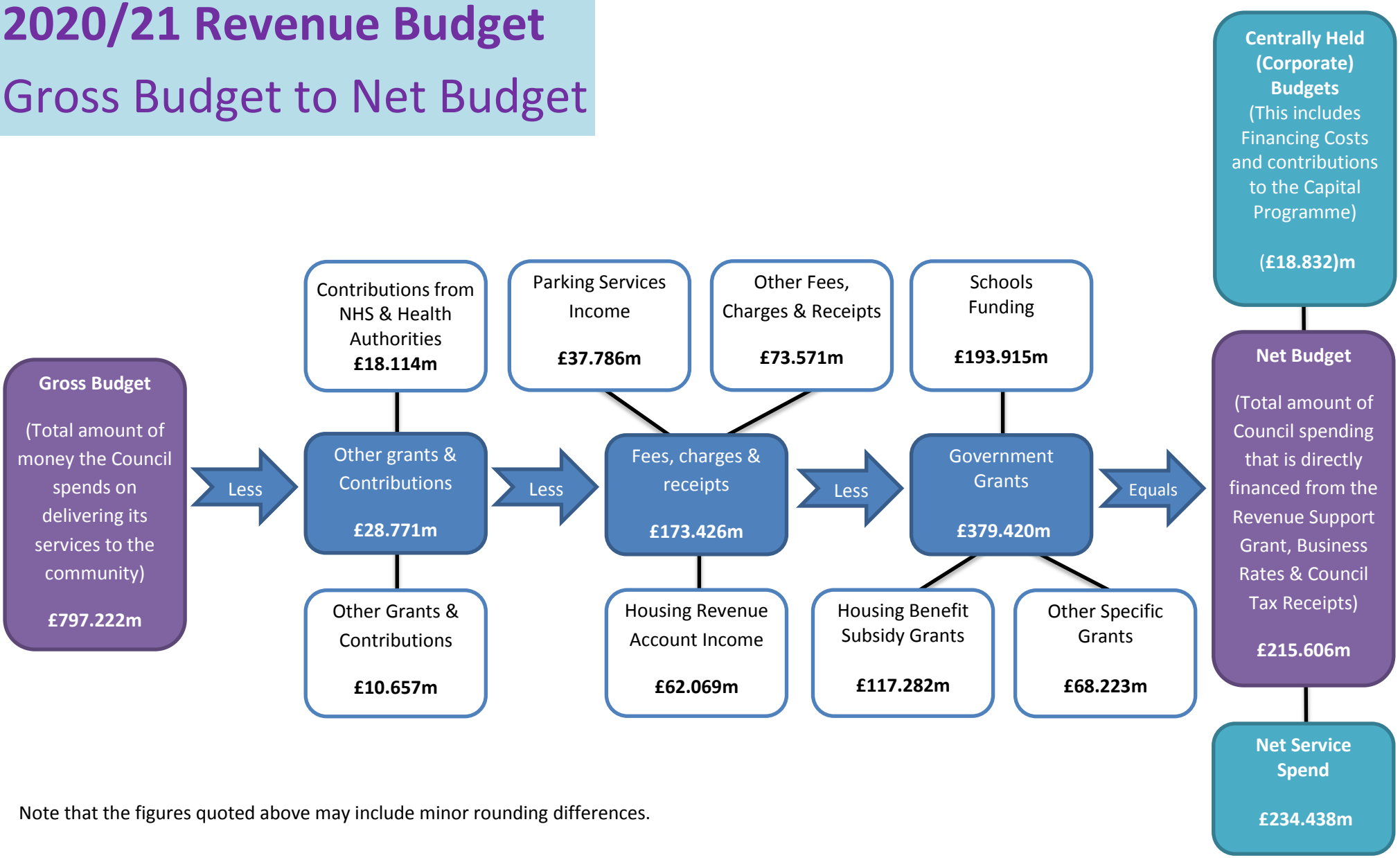
Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Families, Children & Learning	40.004	69.412	**109.416**	(4.660)	(5.700)	(7.347)	**(17.707)**	**91.709**	21.055	**112.764**
Health & Adult Social Care	24.719	96.199	**120.918**	(16.006)	(17.218)	(23.648)	**(56.872)**	**64.046**	4.331	**68.377**
Economy, Environment & Culture	37.629	69.742	**107.371**	(66.150)	(1.868)	(0.768)	**(68.786)**	**38.585**	26.364	**64.949**
Neighbourhoods, Communities & Housing	10.477	27.665	**38.142**	(14.346)	(1.817)	(5.882)	**(22.045)**	**16.097**	3.550	**19.647**
Finance & Resources	6.202	136.878	**143.081**	(4.863)	(0.738)	(118.606)	**(124.207)**	**18.874**	(12.168)	**6.706**
Strategy, Governance & Law	7.640	1.635	**9.275**	(3.728)	(0.357)	(0.063)	**(4.148)**	**5.127**	(4.101)	**1.026**
Service Areas Total	**126.671**	**401.532**	**528.203**	**(109.753)**	**(27.698)**	**(156.315)**	**(293.765)**	**234.438**	**39.031**	**273.469**
Centrally Managed Budgets	2.806	12.524	**15.331**	-	(0.951)	(29.190)	**(30.141)**	**(14.810)**	(43.053)	**(57.863)**
General Fund Total	**129.477**	**414.056**	**543.534**	**(109.753)**	**(28.648)**	**(185.505)**	**(323.906)**	**219.628**	**(4.022)**	**215.606**
Dedicated Schools Grant Funded (DSG)	137.135	57.184	**194.319**	(1.604)	-	(193.915)	**(195.519)**	**(1.200)**	1.200	**-**
Housing Revenue Account (HRA)	15.670	43.700	**59.370**	(62.069)	(0.123)	-	**(62.192)**	**(2.822)**	2.822	**-**
BHCC Revenue Total	**282.282**	**514.940**	**797.222**	**(173.426)**	**(28.771)**	**(379.420)**	**(581.616)**	**215.606**	**-**	**215.606**

Budget changes from 2019/20 to 2020/21

	2019/20 Revised Base £m	Internal Transfers £m	Reversals of One Off Allocations £m	Inflation £m	Service Pressures £m	Commitments & Reinvestment £m	VFM & Other Savings £m	2020/21 Original Budget £m	Change Over Revised Base £m	Change Over Revised Base %
Families, Children & Learning	**88.941**	0.994	(0.073)	1.897	3.225	0.065	(3.340)	**91.709**	2.768	3.11
Health & Adult Social Care	**57.977**	0.593	(0.242)	1.518	4.160	0.040	-	**64.046**	6.069	10.47
Economy, Environment & Culture	**36.415**	3.026	(0.420)	0.804	1.800	0.314	(3.354)	**38.585**	2.170	5.96
Housing, Neighbourhoods & Communities	**15.218**	0.295	(0.260)	0.566	1.150	0.001	(0.873)	**16.097**	0.879	5.78
Finance & Resources	**19.915**	(1.966)	(0.396)	0.389	1.218	0.666	(0.952)	**18.874**	(1.041)	(5.23)
Strategy, Governance & Law	**4.938**	0.287	(0.370)	0.092	0.369	0.101	(0.290)	**5.127**	0.189	3.83
Total Directorate Spending	**223.404**	**3.229**	**(1.761)**	**5.266**	**11.922**	**1.187**	**(8.809)**	**234.438**	**11.034**	**4.94**
Insurance	**3.069**	-	-	0.038	-	-	-	**3.107**	0.038	1.24
Financing Costs	**5.663**	0.366	-	-	0.100	1.105	(0.250)	**6.984**	1.321	23.33
Corporate VFM Savings	**(1.000)**	-	-	(0.020)	0.780	0.240	-	**-**	1.000	(100.00)
Contingency and Risk Provisions	**0.528**	0.002	-	0.345	0.220	0.451	-	**1.546**	1.018	192.80
Unringfenced grants income	**(26.318)**	-	0.210	-	2.023	(5.105)	-	**(29.190)**	(2.872)	10.91
Levies to External Bodies	**0.207**	-	-	0.004	-	-	-	**0.211**	0.004	1.93
Other Corporate Budgets	**2.321**	(3.595)	0.019	(0.054)	-	(0.387)	-	**(1.696)**	(4.017)	(173.07)
NET REVENUE EXPENDITURE	**207.874**	**0.002**	**(1.532)**	**5.579**	**15.045**	**(2.509)**	**(9.059)**	**215.400**	**7.526**	**3.62**
Contributions to/ from(-) reserves	**(4.291)**	(0.002)	4.093	-	**-**	0.406	-	**0.206**	4.497	(104.80)
BUDGET REQUIREMENT	**203.583**	**-**	**2.561**	**5.579**	**15.045**	**(2.103)**	**(9.059)**	**215.606**	**12.023**	**5.91**
Funded By:										
Revenue Support Grant	**6.523**							**6.630**	0.107	1.64
Business Rates Local Share	**57.244**							**58.906**	1.662	2.90
Tariff Payment	**(1.165)**							**(1.184)**	(0.019)	1.63
Business Rates Levy payment	**(0.137)**							**(0.084)**	0.053	(38.69)
Business Rates Collection Fund surplus/(deficit)	**(2.084)**							**2.137**	4.221	(202.54)
Council Tax Collection Fund surplus/(deficit)	**(0.477)**							**(1.346)**	(0.869)	182.18
Council Tax	**143.679**							**150.547**	6.868	4.78
Total	**203.583**							**215.606**	**12.023**	**5.91**

2020/21 Revenue Budget

Gross Budget to Net Budget



Note that the figures quoted above may include minor rounding differences.

Specific Government Grants 2020/21		
Department	**Grant**	**Budget 2020/21 £m**
Families, Children & Learning		
Education & Skills	DfE - Other Grants	(0.059)
Education & Skills	MHCLG - Troubled Families	(1.200)
Education & Skills	DfE - LA PFI Revenue Payments	(2.390)
Education & Skills	DfE - ESFA Adult Safeguarded Learning	(0.560)
Education & Skills	DfE - ESFA School Improvement Monitoring Grant	(0.231)
Health, SEN & Disability Services	MHCLG - Independent Living Fund Grant	(0.241)
Children's Safeguarding & Care	HO - Controlling Migration Fund	(0.093)
Children's Safeguarding & Care	DHSC - Asylum Seekers	(1.996)
Children's Safeguarding & Care	DfE - Other Grants	(0.039)
Children's Safeguarding & Care	DfE - Staying Put Implementation Grant	(0.282)
Children's Safeguarding & Care	MoJ - Youth Justice Board General Funding	(0.257)
Families, Children & Learning Total		**(7.347)**
Health & Adult Social Care		
Adult Social Care	MHCLG - Independent Living Fund Grant	(0.312)
Adult Social Care	MHCLG - Improved Better Care Fund	(0.897)
Integrated Commissioning	MHCLG - Improved Better Care Fund	(0.836)
Integrated Commissioning	MHCLG - Rough Sleepers Grant	(2.044)
Public Health	DHSC - Ring-fenced Public Health Grant	(19.559)
Health & Adult Social Care Total		**(23.648)**
Economy, Environment & Culture		
City Environmental Management	DEFRA - Natural England Higher Level Stewardship	(0.060)
Transport	DfT - Cycle Training Grant	(0.040)
Transport	DfT - Access Fund for Sustainable Travel	(0.495)
Transport	DfT - Bus Service Operators Grant	(0.173)
Economy, Environment & Culture Total		**(0.768)**
Housing, Neighbourhoods & Communities		
Housing General Fund	MHCLG Flexible Homelessness Support Grant	(5.481)
Housing General Fund	MHCLG - Homelessness Reduction Act: New Burdens	(0.401)
Housing, Neighbourhoods & Communities Total		**(5.882)**

Specific Government Grants 2020/21		
Department	**Grant**	**Budget 2020/21 £m**
Finance & Resources		
HR & Organisational Development (Mobo)	DfE - Other Grants	(0.040)
Revenues & Benefits (Mobo)	DWP Discretionary Housing Payment	(1.153)
Revenues & Benefits (Mobo)	DWP Housing Benefit Non-Subsidy Grants	(0.131)
Revenues & Benefits (Mobo)	DWP Housing Benefit Rent Rebate Subsidy	(37.907)
Revenues & Benefits (Mobo)	DWP Housing Benefit Rent Allowance Subsidy	(79.375)
Finance & Resources Total		**(118.606)**
Strategy, Governance & Law		
Life Events	CO - Individual Electoral Registration funding	(0.059)
Life Events	Office of National Statistics Grant	(0.004)
Strategy, Governance & Law Total		**(0.063)**
Centrally Managed Budgets		
Centrally Managed Budgets	DfE - Extended Rights To Free Travel	(0.051)
Centrally Managed Budgets	DHSC - Local Reform Community Voice Grant	(0.158)
Centrally Managed Budgets	DWP - Housing Benefit Admin Grant	(1.012)
Centrally Managed Budgets	MHCLG - PFI Grant	(3.003)
Centrally Managed Budgets	MHCLG - New Homes Bonus Scheme Grant	(0.972)
Centrally Managed Budgets	MHCLG - Business Rates Retention S31 grants	(9.434)
Centrally Managed Budgets	MHCLG - Council Tax Support Admin Subsidy	(0.270)
Centrally Managed Budgets	MHCLG - Lead Local Flood Authority Grant	(0.027)
Centrally Managed Budgets	MHCLG - Social Care Grant	(6.815)
Centrally Managed Budgets	MHCLG - Improved Better Care Fund	(7.448)
Centrally Managed Budgets Total		**(29.190)**
General Fund Total		**(185.505)**
Dedicated Schools Grant Funded (DSG)		
Dedicated Schools Grant Funded (DSG)	DfE - Dedicated Schools Grant	(170.631)
Dedicated Schools Grant Funded (DSG)	DfE - Other Grants	(0.040)
Dedicated Schools Grant Funded (DSG)	DfE - Universal Infant Free School Meals	(2.009)
Dedicated Schools Grant Funded (DSG)	DfE - Funding for 6th Form Students	(3.046)
Dedicated Schools Grant Funded (DSG)	DfE - Pupil Premium Grant	(9.024)
Dedicated Schools Grant Funded (DSG)	DfE - Teachers Pay Grant	(1.740)
Dedicated Schools Grant Funded (DSG)	DfE - Teachers Pension Grant	(7.425)
Dedicated Schools Grant Funded (DSG) Total		**(193.915)**
BHCC Total		**(379.420)**

Investment to support Corporate Plan Commitments and Service Pressures 2020/21		
Service Area/Outcome	**2020/21 Service Pressure £m**	**Description**
Corporate Plan Investments:		
A Growing & Learning City		
Children's Safeguarding and Care	1.045	To support increasing demand and costs of Looked After Children to ensure the council can continue to provide extensive services for children in care and provide for their safeguarding and well-being.
Education and Skills	0.020	Investment to continue the Providing Access to Childcare Programme (PACE) by providing replacement for expiring European funding. PACE supports parents to take up free childcare for their children and supports them to return to work through a personal development plan and one-to-one support.
Education and Skills	0.020	To continue and expand the Raising Achievement in Early Literacy Programme (REAL) which aims to improve children's early literacy skills before they start school by working with and training parents to increase opportunities for learning in the home.
A Healthy & Caring City		
Adults Learning Disability Services	2.140	To support increased demand for and costs of community care packages and thereby enable people to live as independently as possible, particularly as they transition to adult care settings.
Adult Social Care	2.310	To meet increased demand for and costs of physical, memory & cognition, and mental Health services to ensure assessed needs can continue to be met and support people to maintain independence.
Adult social Care	1.550	Investment to cover reductions in Clinical Commissioning Group partner contributions (due to pressures on local NHS budgets) to ensure the council can maintain commissioned services that support vulnerable people, in particular Section 117 Mental Health aftercare services.
Adult and Children's social care	0.780	Investment to reinstate budgets previously reduced in respect of part of the planned 'sustainable social care' savings that cannot be safely delivered and to therefore protect the provision of social care services.
A Sustainable City		
Carbon Neutral	0.200	A range of investments to support feasibility studies and research, communication campaigns, partnership collaboration and financing costs of capital investment (SCRIF) to support climate change and carbon reduction policy development, initiatives and actions.
City Environmental Management	0.840	Investment to meet the increased cost of communal bin collection rounds alongside fleet management, replacement and financing costs to ensure a modern refuse and recycling service is maintained and well-placed to support increased recycling over the Corporate Plan period.
City Environmental Management	0.250	Provision to cover income pressures on commercial operations including garden and commercial waste to ensure that this does not impact on service provision and enables these services to continue to grow and support recycling and effective commercial waste management.
Sports and Leisure	0.100	Investment to address income pressures from the two council-owned golf courses enabling support for a new model of provision including rewilding and improved biodiversity of one of the courses and a sustainable long term business model for the other course.
City Environmental Management	0.070	Provision to cover cleaning cost pressures for public conveniences to ensure improved cleanliness and operation of public

Investment to support Corporate Plan Commitments and Service Pressures 2020/21		
Service Area/Outcome	**2020/21 Service Pressure £m**	**Description**
		conveniences and maintain the City's attractiveness for residents and visitors alike.
City Environmental Management	0.030	Investment in trees, pavilions and roads throughout the parks estate to improve the parks' environment and contribute to carbon reduction.
City Development and Regeneration	0.010	One-off investment to undertake a detailed viability study for potential future options for the Madeira Terraces.
Sustainable Transport	0.005	One-off investment to provide for a detailed viability study for potential extension of Park and Ride schemes around the city.
A City to Call Home		
Private Rented Sector Housing Enforcement	0.150	New investment for 2020/21 following agreement of a new Enforcement Policy at Housing Committee on 13 November 2019. This is an additional investment for staffing resources (Private Sector Housing technical officers) required to fulfil the new Enforcement Policy due to be implemented in April 2020. It relates to Housing Act enforcement outside of existing self-funding licensing activity and will contribute to improve private rented sector housing standards.
Housing Welfare Services	0.260	Permanent investment to replace one-off funding agreed at Budget Council in February 2019. The funding contributes towards 7 FTE staff in the Housing Service to provide support to vulnerable residents in emergency and temporary accommodation.
365-day Night Shelter Service	0.250	Permanent investment to replace one-off funding agreed at Budget Council in February 2019. Funding contributes towards a 15 bed Night Shelter for rough sleepers and 29 units of supported accommodation. The service is externally commissioned (at St Patrick's) and is managed by the HASC commissioning team.
Short Term & Emergency Temporary Accommodation	0.300	New investment for 2020/21 to support an estimated 100 properties being re-procured during 2020/21 to provide an enhanced service offer, over and above the current level of service. This includes the provision of improved facilities, services (e.g. laundry facilities, wi-fi, etc) and an enhanced caretaker role.
Housing & Temporary Accommodation (TA)	0.300	Investment to meet the increased cost of and demand for Temporary Accommodation provision, particularly as the service transitions to a new model of provision, and cover for the Seaside Homes contractual rent guarantee which is in lieu of previously capped Local Housing Allowance rates.
Housing Benefits	0.150	Provision for the increased cost and number of vulnerable tenants in supported accommodation where housing benefit is not fully funded by government, enabling continued support for the Welfare Framework through the Revenues & Benefits team.
Winter Shelter	0.050	Investment to provide a weekend Winter Shelter service through November to March, open 7pm to 7am on Saturdays and Sundays for all rough sleepers.
A City Working for All		
Building Community Wealth	0.020	Initiatives funding to support development of policy and practice and engagement with businesses and partners across the city to enhance the local economy, improve social value in procurement and establish a circular economy framework.
Royal Pavilion Estate	0.100	Investment to meet financing costs arising from the additional cost of capital works following insolvency of the main construction contractor to enable this important visitor attraction to be completed to a high standard and support the visitor economy.
Life Events	0.265	Provision to alleviate income pressures caused by a reduction in demand for Statutory Certificates following the government's imposed fee increases and the cessation of the nationality checking service, enabling essential life event services to be maintained.

Investment to support Corporate Plan Commitments and Service Pressures 2020/21		
Service Area/Outcome	**2020/21 Service Pressure £m**	**Description**
Sports & Leisure Outdoor Events	0.057	2-year investment to support hosting of the Women's European Football Championships in 2021 expected to generate additional visitors and economic activity for the city.
Total Corporate Plan Investments	**11.272**	
Other Corporate Service Pressures:		
The investments below are not directly linked to Corporate Plan commitments but are essential to maintain and update the council's IT software estate and maintain important support functions that underpin delivery of front line services and enable the council to deliver greater cost economies and/or avoid unnecessary additional costs:		
Information Technology & Digital	0.500	Contractual licensing commitments including the Microsoft Enterprise Agreement to maintain the council's software estate and ensure secure and robust software is available to all services.
Information Governance	0.342	Unavoidable increased costs of responding to the substantial increase in demand for Subject Access Requests (SAR's) and to meet statutory compliance requirements.
Procurement & Contract Management Support	0.171	Permanent provision to replace one-off Modernisation Funding provided over the previous 3 years to maintain support for achieving savings, cost avoidance and/or recovery for sub-standard contract performance from reprocurement and contract management activity.
Customer Services	0.170	Provision of recurrent funding to support the current model of service requiring enhanced security cover of council public and staff access points.
Other identified pressures	0.512	Other unavoidable above-inflation contractual and service cost increases across a range of priority services.
Total Corporate Service Pressures	**1.695**	
Grant Funding Pressures:		
Unringfenced grants	0.932	Loss of Business rates levy funding and other changes to unringfenced grants
New Homes Bonus Grant	1.146	Net reduction in grant allocation
Total Grant Funding Pressures	**2.078**	
Total All Investments	**15.045**	

Summary Of Directorate Budget Plans						
			Savings Categorisation 2020/21			
Service Area	Total Savings 2020/21	Total Posts Deleted 2020/21	VFM: Service Delivery Model Changes	VFM: Efficiency & Other VFM Savings	Collaboration	Income Optimisation & Enterprise Strategy
	£m	FTE	£m	£m	£m	£m
Director of Families, Children & Learning	-	0.0	-	-	-	-
Health, SEN & Disability Services	1.630	0.0	0.090	1.470	-	0.070
Education & Skills	0.235	5.4	0.066	0.169	-	-
Childrens Safeguarding & Care	1.437	2.5	0.165	1.272	-	-
Quality Assurance & Performance	0.038	0.0	-	0.038	-	-
Families, Children & Learning Total	**3.340**	**7.9**	**0.321**	**2.949**	**-**	**0.070**
Adult Social Care	-	0.0	-	-	-	-
S75 Sussex Partnership Foundation Trust (SPFT)	-	0.0	-	-	-	-
Integrated Commissioning	-	0.0	-	-	-	-
Public Health	-	0.0	-	-	-	-
Health & Adult Social Care Total	**-**	**0.0**	**-**	**-**	**-**	**-**
Transport	2.296	1.0	-	0.336	-	1.960
City Environmental Management	0.225	0.0	-	0.125	-	0.100
City Development & Regeneration	0.155	2.5	-	0.105	-	0.050
Culture, Tourism & Sport	0.260	0.0	0.094	0.100	0.018	0.048
Property	0.418	5.0	0.131	0.167	0.010	0.110
Economy, Environment & Culture Total	**3.354**	**8.5**	**0.225**	**0.833**	**0.028**	**2.268**
Housing General Fund	0.500	0.0	0.250	0.050	0.100	0.100
Libraries	0.089	0.0	-	0.089	-	-
Communities, Equalities & Third Sector	0.114	3.0	0.103	0.011	-	-
Safer Communities	0.170	3.5	0.170	-	-	-
Housing, Neighbourhoods & Communities Total	**0.873**	**6.5**	**0.523**	**0.150**	**0.100**	**0.100**
Finance (Mobo)	-	0.0	-	-	-	-
HR & Organisational Development (Mobo)	-	0.0	-	-	-	-
Information Technology & Digital (Mobo)	0.225	0.0	-	0.225	-	-
Procurement (Mobo)	-	0.0	-	-	-	-
Business Operations (Mobo)	-	0.0	-	-	-	-
Revenues & Benefits (Mobo)	0.250	8.5	0.250	-	-	-
Contribution to Orbis Partnership	0.477	9.0	-	-	0.477	-

Summary Of Directorate Budget Plans						
			Savings Categorisation 2020/21			
Service Area	Total Savings 2020/21	Total Posts Deleted 2020/21	VFM: Service Delivery Model Changes	VFM: Efficiency & Other VFM Savings	Collaboration	Income Optimisation & Enterprise Strategy
	£m	FTE	£m	£m	£m	£m
Finance & Resources Total	**0.952**	**17.5**	**0.250**	**0.225**	**0.477**	**-**
Corporate Policy	0.027	0.0	0.027	-	-	-
Legal Services	0.103	2.4	-	0.103	-	-
Democratic & Civic Office Services	0.059	1.4	0.059	-	-	-
Life Events	0.008	0.0	-	-	-	0.008
Performance, Improvement & Programmes	0.049	6.0	-	0.049	-	-
Communications	0.044	2.6	0.044	-	-	-
Strategy, Governance & Law Total	**0.290**	**12.4**	**0.130**	**0.152**	**-**	**0.008**
Centrally Managed Budgets Total	**0.250**	**0.0**	**-**	**-**	**-**	**0.250**
Grand Total	**9.059**	**52.8**	**1.449**	**4.309**	**0.605**	**2.696**

Summary of Capital Investment Programme 2020/21 to 2024/25					
	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m
Approved Schemes					
Health & Adult Social Care	-	-	-	-	-
Families, Children & Learning	30.333	-	-	-	-
Economy, Environment & Culture	34.271	15.392	1.850	1.850	1.850
Housing, Neighbourhoods & Communities	13.606	19.273	22.187	13.104	0.955
Housing Revenue Account	18.263	2.119	-	-	-
Strategy, Governance & Law	-	-	-	-	-
Finance & Resources	0.312	0.312	-	-	-
New Schemes to be Approved					
Health & Adult Social Care	0.500	0.500	0.500	0.500	0.500
Families, Children & Learning	8.810	5.923	5.923	5.923	5.923
Economy, Environment & Culture	9.058	18.185	39.800	84.400	57.000
Housing, Neighbourhoods & Communities	1.000	1.000	1.000	1.000	1.000
Housing Revenue Account	40.120	98.391	92.444	-	-
Strategy, Governance & Law	-	-	-	-	-
Finance & Resources	6.896	4.770	4.330	3.490	1.000
Total Schemes	**163.169**	**165.865**	**168.034**	**110.267**	**68.228**
Funded by:					
Government Grants - Single Pot	43.999	9.845	9.800	9.800	9.800
Government Grants - Ringfenced	14.592	21.986	18.815	6.300	5.500
Capital Receipts - GF	14.573	8.142	0.480	0.490	0.500
Capital Receipts - HRA	6.621	12.275	5.707	-	-
Capital Reserves - GF	0.726	-	-	-	-
Capital Reserves - HRA	0.570	3.550	0.550	-	-
Specific Reserves	2.430	3.045	5.320	1.150	1.150
External Contributions	6.543	4.235	2.600	6.900	5.600
Direct Revenue Funding	0.813	0.663	0.623	0.623	0.623
Revenue Contribution to Capital - HRA	19.806	22.466	23.637	-	-
Council Borrowing	52.496	78.658	95.902	81.004	43.805
Total Funding	**163.169**	**164.865**	**163.434**	**106.267**	**66.978**
General Fund - Funding Shortfall	**-**	**1.000**	**4.600**	**4.000**	**1.250**

Families, Children & Learning Directorate

Services and Responsibilities

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

The main area of General Fund spend relates to the placement costs for children and young people in care and adults with learning disabilities (LD). While spend on children's placements is under good control, through a combination of better management of placement costs and an overall reduction in the number of children in care, there are significant pressures on the community care budget for adults with learning difficulties and this budget is currently overspending. Actions are in place to address this.

Nationally the number of children with child protection plans and children being brought into care continues to increase. Over the last two years however, the numbers in Brighton & Hove have been reducing. This has led to cost savings but these are at risk if there is a high profile child safeguarding case either nationally or locally. In addition, both locally and nationally there has been an increase in the number of adolescents requiring intensive support, including high cost residential placements. In part, this is related to the greater focus on meeting the needs of young people who are vulnerable to exploitation. There is currently a significant national issue regarding foster placement sufficiency, resulting from the significant rise in the number of children in care. The impact locally is that when placements are required, the lack of options means than placements can sometimes be made on the basis of availability rather than need. This can result in children being placed in more expensive provision.
Our vision is for a Directorate that is ambitious and works closely with partners. We want all of the city's families and children to be happy, healthy and safe, fulfilling their potential. Over the last few years, services have been redesigned in order to improve efficiency and reduce costs and this will continue in future years. Inevitably, this requires difficult decisions in balancing untargeted, non-statutory support with preventative, statutory and safeguarding provision.
Our future plans to move us from being good to being great include:

- Ensuring all children we work with consistently receive a high-quality service that builds on strengths in families and improves outcomes;
- Providing children in care with consistently high quality, well supported placements;
- Helping more families receive community and wider family support at the earliest opportunity;
- Making sure we listen to the views of the people we work with, and where appropriate act on their suggestions for improving services;
- Enabling more adult service users with learning disabilities to live more independently;
- Reviewing all our residential units, care homes and day activities provision to improve choice, control and experiences for the people who use them;
- Improving education outcomes for disadvantaged and SEN pupils, and creating more post-16 opportunities;

• Improving school attendance;
• Improving transition arrangements for children moving into adult orientated services, including young people with learning disabilities.

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

Education and Skills £7.396m

This service area includes:

- Early Years, Youth and Family Support (including Children's Centres)
- School Organisation and Access to Education
- Education Standards and Achievement
- Skills and Employment
- Virtual School for children in care and those previously in care
- Stronger Families (Troubled Families programme)
- Ethnic Minority Achievement Service and Traveller Education Service

Health SEN and Disability Services £42.111m

This service area includes:

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

Safeguarding and Care £40.693m

This service area includes:

- Fostering, Family Placement and Adoption Services
- Children in Need and Child Protection social work services including Partners in Change support
- Children in Care and Leaving Care services
- Adolescence and Youth Offending Services
- Front Door for Families which includes MASH (Multi Agency Safeguarding Hub)
- Early Parenting Assessment Programme
- Contact and Family Group Conference Services

Users of Families, Children & Learning Services

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

- 32,286 children attend city's school (2018-19)
- 14,259 contacts relating to 7,916 children were received by the Multi Agency Safeguarding Hub/Front Door for Families this year, of these 3,239 relating to 2,897 children were safeguarding concerns that required follow up work;
- Approximately 7,500 Parents/Carers applied for school places (2018-19);
- 5,471 children receive SEND support in maintained schools (including 1,102 children who have an Education Health & Care plan) (2018-19);
- 707 adults with learning disabilities (2018-19);
- 4,237 children are eligible for free school meals (2018-19);
- 3,906 children attend our children's centres and nurseries (2018-19);
- 1,375 receive family support (including the national Troubled Families programme) (2018-19);
- 1,866 children are supported by social work to be safe (2018-19);
- 325 children are on a child protection plan (as at April 2019);
- We act as Corporate Parent to 391 children in care and 308 care leavers aged between the ages of 18 and 25 (2018-19);
- We help support 37 unaccompanied asylum seeking children (2018-19);
- 223 pupils in Brighton and Hove are educated at home (as at 31/03/2019);
- There are 139 in–house Foster Care Households at 31st March 2019 including 6 Supported Lodging Households;
- 30 children have been adopted in the last 12 months;
- 708 Adults with a Learning Disability in receipt of Adult Social Care at 31st March 2019.

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

Families, Children & Learning Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
0.733	Director of Families, Children & Learning	0.325	(0.223)	**0.102**	0.669	**0.771**	4.6
41.968	Health, SEN & Disability Services	49.777	(7.666)	**42.111**	2.189	**44.300**	294.1
20.093	Education & Skills	13.925	(6.529)	**7.396**	15.217	**22.613**	251.8
42.755	Childrens Safeguarding & Care	43.888	(3.195)	**40.693**	2.762	**43.455**	309.3
1.544	Quality Assurance & Performance	1.500	(0.093)	**1.407**	0.218	**1.625**	27.9
107.093	**Families, Children & Leaning Total (Excluding DSG)**	**109.416**	**(17.707)**	**91.709**	**21.055**	**112.764**	**887.7**
-	Dedicated Schools Grant Funded (DSG)	194.319	(195.519)	**(1.200)**	1.200	**-**	115.0
107.093	**Families, Children & Leaning Total (Including DSG)**	**303.735**	**(213.226)**	**90.509**	**22.255**	**112.764**	**1,002.7**

Families, Children & Learning 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Director of Families, Children & Learning										
Children's Services Central Costs	0.304	0.021	**0.325**	-	(0.223)	-	**(0.223)**	**0.102**	0.669	**0.771**
Director of Families, Children & Learning Total	**0.304**	**0.021**	**0.325**	**-**	**(0.223)**	**-**	**(0.223)**	**0.102**	**0.669**	**0.771**
Health, SEN & Disability Services										
Adult Learning Disability Services	6.623	34.507	**41.131**	(3.069)	(1.326)	(0.241)	**(4.636)**	**36.495**	1.518	**38.013**
Children in Care	2.046	1.685	**3.730**	-	(0.372)	-	**(0.372)**	**3.358**	0.361	**3.719**
Children's Social Care Services	1.143	1.485	**2.628**	(0.005)	(0.565)	-	**(0.570)**	**2.058**	0.155	**2.213**
Special Educational Needs	2.481	(0.193)	**2.288**	-	(2.089)	-	**(2.089)**	**0.199**	0.155	**0.355**
Health, SEN & Disability Services Total	**12.293**	**37.484**	**49.777**	**(3.074)**	**(4.351)**	**(0.241)**	**(7.666)**	**42.111**	**2.189**	**44.300**
Education & Skills										
Children in Care	0.054	0.016	**0.071**	-	-	-	**-**	**0.071**	0.011	**0.081**
Early Years and Early Help	5.597	(0.154)	**5.443**	(1.186)	(0.086)	(1.200)	**(2.472)**	**2.971**	1.570	**4.541**
Other Education Services	0.882	4.887	**5.769**	(0.114)	(0.239)	(2.679)	**(3.032)**	**2.737**	13.216	**15.953**
Schools Skills & Learning	1.490	0.223	**1.713**	(0.194)	-	(0.560)	**(0.755)**	**0.958**	0.198	**1.155**
Services for Young People	0.346	0.585	**0.931**	(0.021)	(0.250)	-	**(0.271)**	**0.660**	0.222	**0.882**
Education & Skills Total	**8.369**	**5.556**	**13.925**	**(1.516)**	**(0.575)**	**(4.439)**	**(6.529)**	**7.396**	**15.217**	**22.613**

Families, Children & Learning 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Childrens Safeguarding & Care										
Children in Care	4.280	24.363	**28.643**	(0.034)	(0.127)	(2.410)	**(2.571)**	**26.072**	0.865	**26.937**
Children's Social Care Services	13.005	2.020	**15.025**	(0.036)	(0.300)	(0.257)	**(0.593)**	**14.431**	1.868	**16.299**
Early Years and Early Help	0.207	0.013	**0.221**	-	(0.031)	-	**(0.031)**	**0.189**	0.030	**0.219**
Childrens Safeguarding & Care Total	**17.492**	**26.397**	**43.888**	**(0.070)**	**(0.458)**	**(2.667)**	**(3.195)**	**40.693**	**2.762**	**43.455**
Quality Assurance & Performance										
Children's Social Care Services	1.422	(0.117)	**1.306**	-	-	-	**-**	**1.306**	0.188	**1.493**
Children's Services Central Costs	0.123	0.071	**0.194**	-	(0.093)	-	**(0.093)**	**0.101**	0.031	**0.132**
Quality Assurance & Performance Total	**1.546**	**(0.046)**	**1.500**	**-**	**(0.093)**	**-**	**(0.093)**	**1.407**	**0.218**	**1.625**
Families Children & Learning Total	**40.004**	**69.412**	**109.416**	**(4.660)**	**(5.700)**	**(7.347)**	**(17.707)**	**91.709**	**21.055**	**112.764**

Dedicated Schools Grant (DSG) 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Children's Social Care Services	-	0.043	**0.043**	-	-	-	**-**	**0.043**	0.000	**0.043**
Dedicated Schools Grant	-	-	**-**	-	-	(170.631)	**(170.631)**	**(170.631)**	-	**(170.631)**
Early Years and Early Help	0.411	14.589	**15.000**	(0.003)	-	(0.040)	**(0.043)**	**14.957**	0.075	**15.032**
Other Education Services	0.199	0.073	**0.272**	(0.110)	-	-	**(0.110)**	**0.162**	0.038	**0.199**
Schools	133.193	24.339	**157.531**	(1.439)	-	(22.644)	**(24.083)**	**133.448**	0.630	**134.078**
Special Educational Needs	3.333	18.141	**21.473**	(0.052)	-	(0.600)	**(0.652)**	**20.822**	0.457	**21.279**
Dedicated Schools Grant (DSG) Total	**137.135**	**57.184**	**194.319**	**(1.604)**	**-**	**(193.915)**	**(195.519)**	**(1.200)**	**1.200**	**-**

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
Health, SEN & Disability Services		
Services for children with disabilities - Residential, respite and short breaks.	Review of use of in-house provision and respite to extend the range of options for parents with more emphasis on extended day, evening and weekend activities - overnight respite would still be available for those in most need and where children require shared care. See EIA1.	0.020
Services for children with disabilities - Contracted services, adaptations, management	Possible re-negotiation / re-tendering / bringing in-house Children's Disability Service contracts. Calculated at 10% of current contract value. This is linked to more bespoke commissioning relating to the Health, SEN and Disability branch.	0.070
Inclusion Support Service - Inclusion Support Service. Including Educational Psychology Service and Child & Adolescent Mental Health Services (CAMHS)	Full traded service established with schools. Buyback in 2020/21 will be on a full-year basis and this should facilitate savings in core budget provision. Failure to achieve full buyback may impact on service levels leading to a possible review of staffing.	0.070
Community Care (Adults) including: • Community Support • Day Care • Direct Payments • Home Care • Shared Lives • Supported Accommodation • Residential Care • Nursing Care Learning Disabilities	Savings in 2020/21 are proposed through a number of targeted strategies. The 'Move On' project has been very successful in supporting adults with LD to move on from high cost placements into new living arrangements which have enabled them to experience greater independence and control over their lives. It is anticipated that a further saving could be achieved using this strategy whilst maintaining positive outcomes for service users. Review of the funding source of transport arrangements for clients aged between 18 to 25 attending education provision Seek appropriate funding for clients from external agencies such as Health, particularly through CHC funding. Review of existing block contracts for recently outsourced services, in particular through a review of client needs where over provision currently exists, and better utilisation of voids. Better planning of arrangements for new service users, in particular clients transitioning from Children's social care. The recently established 14-25 social work pod within the service will seek to provide a greater focus on this high cost area. Use of internal dedicated resource to re-assess direct payment levels. Utilisation of voids in external contracts. There are some risks in these strategies - to reduce fees or restrict fee increases paid to providers there may be a risk of providers terminating contracts, and closure of services. To reduce level of support within individual care packages the council would be at risk of not fulfilling statutory duties, experiencing	1.470

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	a breakdown of packages and putting a greater pressure on carers. In addition to the savings identified the Council has identified budget pressures based on the anticipated increase in costs for current and future clients. See EIA2.	
Health, SEN & Disability Services Total		**1.630**
Education & Skills		
Standards & Achievement - Core school intervention team, commissioned school partnership advisers.	Service provides a range of statutory functions including school improvement, intervening if a school is failing or at risk of failure, assessment, RE and PSHCE. Key focus promoting high standards (particularly for disadvantaged), includes facilitating and leading the education partnership; supporting Head appointment, liaison with Ofsted and working with partnerships and individual schools to maintain and improve standards. Team intervenes when schools are at risk of failure (schools causing concern). The saving is predicated on assumption that Brighton & Hove maintain a high percentage of schools judged by Ofsted to be Good and Outstanding as this minimises need for interventions. Currently 1 inadequate and 5 RI schools. Saving will reduce financial support and intervention to schools causing concern who are currently not RI or inadequate. This is currently a manageable risk Risks: • Insufficient intervention means more schools moved to RI or Inadequate (and academisation forced) (medium) • Negative effect on all educational outcomes as school Improvement activity is reduced in schools because schools prioritise funding on day to day operations (low) • Statutory functions in RE or PSHCE or assessment monitoring cannot take place to meet requirement. Equalities that may not take place in same way which exposes the council to reputational risk. (low) • City Education Partnership fails due to lack of capacity to lead (low) • If it is perceived that the whole package of support to schools is reducing, schools may look more to academy chains as an alternative (low)	0.025
Governor Support - This service provides challenge and support to governors to fulfil the statutory role as a LA. It also provides a high quality traded service which has a high percentage buy back from schools.	Savings to be achieved by increasing cost of Governor service and NQT SLA and selling service to out of authority schools. Selling more out of authority unlikely and already at a max without having more resource to work further afield. Risk:	0.029

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	• Impact upon ability to provide statutory parts of Governance duties including appointment and induction • Adverse impact on school and ability to provide Head Teacher training, induction of new Heads, website checks. • Increase in cost of NQT service (by c.30%) runs risk of customers in and out of authority seeking service from another authority or institution - high risk. (There are competitors who could provide service cheaper); • Increase in cost of Governor service (by c. 20%). Risk that service would not be brought by schools or be sought from another authority or institution. Could result in school improvement concern.	
Branch Leadership and Management	Additional reduction in admin support for education and skills branch	0.008
Early Years Nurseries - Subsidy for the Council run nurseries (Acorn, Bright Start, Cherry Tree, Jump Start, Roundabout and Pavilion) and Tarnerland Nursery School. The nurseries provide free childcare places for 2, 3 and 4 year olds and childcare that parents pay for. Statutory duties to secure sufficient free early education for 4, 3 and low income 2 year olds. Statutory duty to secure sufficient childcare for working parents.	The Council receives a low level of funding from the Government for free childcare and often has to subsidise the costs of the nurseries. The council has been able to move provision of one its nurseries to an alternative location which has resulted in a reduced overall subsidy requirement.	0.034
Early Years Childcare - Support for nurseries, childminders, out of school childcare, childcare workforce training, and management and administration of free early years entitlement for 2/3/4 year olds. Statutory duty to secure sufficient childcare places and information, advice and training to childcare providers.	To charge for in depth quality improvement support (£5k) for providers judged good or better by Ofsted with low numbers of disadvantaged children. The risk is that providers will choose not to pay for this support. To start charging childcare providers for safeguarding training (£7k). This risk is that fewer providers will attend training and knowledge of safeguarding will reduce. All other courses are already charged for. To use a different source of funding (the Dedicated Schools Grant) to support quality improvement for early years providers with less than good Ofsted inspections (£20k). See EIA3.	0.032
Skills & Employment This team supports: • Youth Employability Service • Supported Employment Team • Able & Willing Placements Scheme	The Youth Employability Service (YES) has been very successful in ensuring that the number of young people not in education, employment and training in Brighton & Hove is relatively low. This means that young people have a good start on their employment journey. In January 2019, The Children and Young People and Skills Committee agreed that the future delivery model of Able & Willing be changed to a rolling work placement programme matching suitable placements within council services for candidates who are disabled. The council's Supported Employment Team (SET) work with local people who have disabilities, including learning disabilities, helping them seek and maintain employment. Although there	0.102

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	is no statutory requirement to deliver the SET services, there is an ongoing administration commitment to support those furthest from the labour market into work. At budget council in February 2018 an additional pot of funding was allocated to support those aged 18-24 into work. The team provides support to the employee, the employer and work colleagues through training, job coaching and advice. The SET work much closer with the YES to deliver the council's objective to target young people with SEND, in order to increase the percentage who are able to access sustainable employment. It is proposed that savings will be identified through a redesign of these services, with specific focus on rationalising the management arrangements across the 2 services. Delivery risk - low. See EIA4 and Staffing EIA S1.	
Print & Sign Unit	This service is entirely funded by work it carries out on a cost recovery basis. There is a small saving derived from staff changes and increased work. Delivery risk - low	0.005
Education & Skills Total		**0.235**
Children's Safeguarding & Care		
Fostering & Adoption - Staffing teams assessing and supporting foster carers and potential adopters. Allowances paid to Adopters	Reduction in need for inter-agency adoption placements given reducing demand (arising from model of social work practice and reducing numbers of children in care). Delivery risk: Increase in numbers of children requiring adoptive placements will result in need for increase in use of inter agency placements.	0.130
Social Work & Legal - Social work staffing teams.	Review of administration of Child Protection conferences to an IT&D based approach will result in Business Support savings. Delivery Risk - minimal	0.090
Social Work & Legal - Expenditure incurred under section 17 & 18 of the 1989 Children Act.	Budget ensures that the Council is able to fulfil its statutory duties to support families in need. Effective budget management (achieved by devolving budgets) has resulted in an underspend on Section 17 budget line. Delivery Risk - Reduction in Section 17 spending will reduce ability to support families resulting in possible escalation of need. This is offset by current underspend across Section 17 budgets.	0.130
Social Work & Legal - Legal costs relating to assessment and court fees.	Modest savings proposed given reduction in care applications Delivery Risk - minimal given reduction in care applications	0.075
Contact Service - Family contact for children in care (CiC) and children in need (CIN)	The service co-ordinates, supports and supervises court ordered parental and family contact with children in care and children in need. Service redesign has resulted in significant savings in previous years. Review of sessional worker use and their transportation costs should result in modest savings. Delivery Risk - minimal given reducing numbers of Children in Care.	0.030
Agency Placements - Residential, fostering and secure placements for looked after children	Project to increase the number of in house foster placements and reduce reliance on more expensive independent provider provision is ongoing.	0.907

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
provided by external agencies	Provision of high quality, value for money provision through contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines. In addition to the savings proposed there is pressure funding of £475k in 20-21 to cover future anticipated increased costs for existing clients. Relationship based social work practice and the specialist adolescence service is contributing to diverting children from the care system, and for those already in care, a stepping down to in house and/or less expensive placements. The overall number of children in care has continued to reduce locally (in the context of a national increase) and close scrutiny of placement costs, together with an increase in in-house foster carers is contributing to a reduction in unit costs. Work streams: Increasing number of in house foster carers and those able to provide support to more complex children; Increasing and extending preferred provider options for the Local Authority in partnership across the South East; Developing in house capacity with regards Supported Lodgings and unaccompanied asylum seeking children (UASC) - an area of increasing demand and unit costs. Review of SGO allowances and reducing by child benefit amounts to bring payments in line with East & West Sussex will result in savings. Delivery Risk: This is a high cost service where the failure of effective prevention and demand management will not only impact on the achievement of cost reduction but is likely to be of corporate financial significance to the council's challenging medium term financial position. The proposals set out here assume that other pressures on this budget will be met across the overall budget. A small number of adolescents with very significant needs continue to provide pressure on these budgets combined with a national shortage of placements. Impact on Outcomes: Improved practice model prevents children needing care and contributes to improved outcomes for young people. Demand management has implications for managing risk effectively to meet safeguarding requirements and statutory duties. See EIA 5.	
Partners in Change Hub & specialist assessments - Lead practitioners and adult workers supporting social workers to manage risk effectively within families; specialist assessments to support social	Review of domestic abuse perpetrator programme to move from group work delivery model to relationship based individual work supported by PIC Hub. Review of Looking Forward project overall and reduction in seconded post from Oasis. Delivery risk - low. Changes will fit with model of social work practice. See EIA6.	0.075

Families, Children & Learning Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
work decision making.		
Children's Safeguarding & Care Total		**1.437**
Quality Assurance & Performance		
Children's Safeguarding & Quality Assurance - Specific child protection services, the Brighton & Hove Safeguarding Children's Partnership (BHSCP) and independent reviewing officers.	BHSCP management and admin is a statutory multi-agency funded safeguarding function. Child protection services and independent Reviewing Officers are statutory services with high case loads and increasing demands. Increase in funding from safeguarding partners will result in BHCC contribution to Safeguarding Children's Partnership to be made.	0.038
Quality Assurance & Performance Total		**0.038**
Families, Children & Learning Total		**3.340**

Families, Children & Learning Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	**Profiled Payments 2021/22 £m**	**Profiled Payments 2022/23 £m**	**Profiled Payments 2023/24 £m**	**Profiled Payments 2024/25 £m**
Approved Schemes					
Basic Need - New Pupil Places *	28.436	-	-	-	-
Education Capital Maintenance	1.418	-	-	-	-
Healthy Pupils Grant - Surrenden Pool	0.479	-	-	-	-
New Schemes to be Approved					
Basic Need - New Pupil Places *	2.879	-	-	-	-
Education - Capital Maintenance **	4.800	4.800	4.800	4.800	4.800
Devolved Formula Capital **	0.508	0.500	0.500	0.500	0.500
Structural Maintenance	0.623	0.623	0.623	0.623	0.623
Families, Children & Learning	**39.143**	**5.923**	**5.923**	**5.923**	**5.923**

* Basic Need profile of spend will be reported in the Education Capital Report in March 2020

** Estimated Funding to be confirmed

Health and Adult Social Care Directorate

Services and Responsibilities

The Health and Adult Social Care Directorate consist of Public Health and Adult Social Care. Our vision is for everyone in Brighton & Hove to have the best opportunity to live a healthy, happy and fulfilling life, by ensuring that they are starting well, living well, ageing well and dying well and this is set out in our Health and Wellbeing strategy. To achieve this we need Brighton & Hove to be a city where health is everyone's business, so we work with partners to influence the social, economic and environmental factors that create our health and wellbeing, as well working with communities, and providing information and support to enable residents to adopt healthy lifestyles and reduce health inequalities across the city.

As a Directorate our mission is to promote and improve health and wellbeing while supporting people to live independent and fulfilling lives.
We believe in enabling people to live a life, not just experience a service. The Directorate will establish a new Target Operating Model which will underpin our new way of working. We will do this by focusing on what people can do, not what they can't do, building on their individual strengths, networks and utilising community assets before we look to put in place more traditional services.

To enable us to do this we will continue to work collaboratively and effectively with other Council Directorates, the NHS, the Police, care providers, community, voluntary and social enterprises, and other partners.

The Directorate's primary responsibilities include:

- Comply with Care Act and other relevant legislation;
- Promoting preventative approaches to maintain health & wellbeing including our statutory public health requirements;
- Deliver public health advice to the NHS and its partners;
- Producing the Joint Strategic Needs Assessment to inform commissioning and operational activity;
- Providing information, advice and advocacy;
- Carrying out individual care needs assessments;
- Safeguarding adults at risk of abuse, neglect and avoidable harm;
- Commissioning services to meet current and future demand ensuring that these are financially sustainable for providers and the Council;
- Providing and/or arranging services to improve health and wellbeing, including for adults with eligible care and support needs.

Our main area of spend relates to the provision of care for those people who have been assessed as eligible for social care support (Community Care). This covers a vast array of services and includes such areas as Residential and Nursing Care and Home Care. The rising cost of services and the cost pressures experienced by many of our providers mean that ensuring we have the right services at a sustainable price remains challenging. The increasing demand and complexity of people's needs requiring social care support is also adding to these pressures.

Despite the financial pressures in relation to higher levels of health needs, increasing demand and reducing resources we must continue to deliver our statutory responsibilities.

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

1) Public Health £0.052m (Funded by grant - gross budget £20.256m)

This service area includes:

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

2) Adult Social Care Services (incl S75 SPFT) £52.741m

This service area includes:

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

3) Commissioning, Contracts and Performance £11.253m

This service area includes:

- Commissioning & Performance teams
- Housing related support contracts
- Carer support

Users of Health and Adult Social Care Services

The directorate provides a range of different services from preventative services to those where we are required to fulfil a statutory duty. Some of the key services we provide are as follows.

In 2018/19, Adult Social Care managed the following activity:

4,540 New requests for social care support;

1,267 Of these new requests resulted in provision of long term funded care services. Others received short term support e.g. reablement or end of life care, signposting to community services or ongoing low level support e.g. issuing equipment;

5,174 Clients issued with equipment;

4,701 Clients currently receiving telecare;

1,100 Clients received a short term service to maximise independence;
1,928 Carers supported;
1,834 Deprivation of Liberty Safeguards applications;
854 Safeguarding enquiries were carried out;
1,181 Mental Health Act assessments referrals.

During this period we provided long term funded care services for **3,472** adults. This support was provided in the following ways:

1,705 Adults received domiciliary care in the community, this figure does not include those people referred into Homefirst, a Discharge to Assess programme initiated midway through 16/17. This is jointly funded with the CCG focussed upon getting patients home from hospital as soon as they are medically stable. This pathway enables a period of rest and recovery, with support, before longer term needs are considered. This is subject to separate evaluation;
1,333 Adults received residential or nursing support (**720** nursing care placements and **613** residential care placements);
434 Adults were in receipt of care services funded via a Direct Payment.

In 2018/19, thousands of residents benefitted from services commissioned, provided or supported by Public Health, for example:

- Approximately **3,000** residents benefitted from our Active for Life, health walks, health trainer and health check services and more than **10,000** people attended events promoting healthy lifestyles;
- **32,404** attendances were made at local sexual health services by residents of Brighton and Hove;
- **2,553** residents were receiving treatment for substance misuse (March 2019);
- The Healthy Child Programme provides five mandated health checks for 0 – 5 year olds and three school nurse led health interventions for 5 – 16 year olds, such as **2,050** new baby face to face reviews by 14 days.

Health & Adult Social Care Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
36.914	Adult Social Care	57.810	(23.423)	**34.387**	4.957	**39.344**	483.8
17.354	S75 Sussex Partnership Foundation Trust (SPFT)	27.072	(8.718)	**18.354**	1.282	**19.636**	55.2
7.905	Integrated Commissioning	15.780	(4.527)	**11.253**	(1.990)	**9.263**	52.3
0.074	Public Health	20.256	(20.204)	**0.052**	0.082	**0.134**	48.5
62.246	**Health & Adult Social Care Total**	**120.918**	**(56.872)**	**64.046**	**4.331**	**68.377**	**639.8**

Health & Adult Social Care 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Adult Social Care										
Assistive Equipment & Technology	1.155	2.594	**3.749**	(0.612)	(2.624)	-	**(3.237)**	**0.513**	0.221	**0.734**
Clients with Memory/Cognition Support	2.916	0.218	**3.134**	(0.568)	(1.029)	-	**(1.598)**	**1.537**	0.896	**2.433**
Clients with Physical Support	3.252	36.045	**39.297**	(9.549)	(5.575)	(1.209)	**(16.333)**	**22.965**	1.782	**24.746**
Clients with Sensory Support	-	0.559	**0.559**	(0.086)	-	-	**(0.086)**	**0.473**	0.127	**0.600**
Clients with Substance Misuse Support	-	0.337	**0.337**	(0.020)	-	-	**(0.020)**	**0.317**	0.039	**0.355**
Social Care Activities	8.663	0.439	**9.101**	(0.037)	(1.246)	-	**(1.282)**	**7.819**	1.578	**9.397**
Supported Accommodation	1.171	0.462	**1.633**	(0.788)	(0.080)	-	**(0.868)**	**0.764**	0.314	**1.078**
Adult Social Care Total	**17.156**	**40.654**	**57.810**	**(11.660)**	**(10.554)**	**(1.209)**	**(23.423)**	**34.387**	**4.957**	**39.344**
S75 Sussex Partnership Foundation Trust (SPFT)										
Clients with Memory/Cognition Support	-	13.653	**13.653**	(3.820)	(2.468)	-	**(6.288)**	**7.364**	0.390	**7.754**
Clients with Mental Health Support	-	9.851	**9.851**	(0.505)	(1.707)	-	**(2.212)**	**7.640**	0.378	**8.018**
Social Care Activities	2.619	0.949	**3.568**	-	(0.218)	-	**(0.218)**	**3.350**	0.514	**3.864**
S75 SPFT Total	**2.619**	**24.453**	**27.072**	**(4.325)**	**(4.393)**	**-**	**(8.718)**	**18.354**	**1.282**	**19.636**
Integrated Commissioning										
Clients with Physical Support	-	0.006	**0.006**	-	-	-	**-**	**0.006**	0.025	**0.031**
Commissioning & Service Delivery	2.487	2.930	**5.416**	(0.011)	(0.211)	(0.836)	**(1.058)**	**4.359**	(2.525)	**1.834**
Housing Related (Supporting People)	-	7.672	**7.672**	-	(0.012)	(2.044)	**(2.056)**	**5.616**	0.201	**5.817**
Information & Early Intervention	0.091	1.862	**1.953**	-	(0.882)	-	**(0.882)**	**1.070**	0.276	**1.346**
Support To Carers	-	0.732	**0.732**	-	(0.530)	-	**(0.530)**	**0.202**	0.033	**0.235**
Integrated Commissioning Total	**2.577**	**13.202**	**15.780**	**(0.011)**	**(1.636)**	**(2.880)**	**(4.527)**	**11.253**	**(1.990)**	**9.263**
Public Health										
Children's Public Health Programmes (0-5)	-	3.788	**3.788**	-	(0.090)	-	**(0.090)**	**3.698**	0.028	**3.726**
Children's Public Health Programmes (5-19)	0.245	1.559	**1.804**	-	(0.212)	-	**(0.212)**	**1.592**	0.028	**1.620**
Commissioning	0.177	0.300	**0.477**	-	(0.001)	(19.559)	**(19.560)**	**(19.083)**	(0.452)	**(19.536)**
Miscellaneous Public Health Services	1.240	1.723	**2.963**	(0.005)	(0.239)	-	**(0.244)**	**2.719**	0.083	**2.802**
NHS Health Check Programmes	0.000	0.300	**0.300**	-	-	-	**-**	**0.300**	0.083	**0.383**
Obesity	-	0.400	**0.400**	-	-	-	**-**	**0.400**	0.028	**0.428**
Physical Activity	0.289	0.221	**0.511**	(0.005)	-	-	**(0.005)**	**0.506**	0.062	**0.567**
Public Health Advice	0.185	0.008	**0.192**	-	-	-	**-**	**0.192**	0.028	**0.220**
Sexual Health Services	0.070	4.072	**4.142**	-	-	-	**-**	**4.142**	0.083	**4.225**
Substance Misuse	0.161	5.519	**5.681**	-	(0.094)	-	**(0.094)**	**5.587**	0.111	**5.698**
Public Health Total	**2.366**	**17.890**	**20.256**	**(0.010)**	**(0.635)**	**(19.559)**	**(20.204)**	**0.052**	**0.082**	**0.134**
Health & Adult Social Care Total	**24.719**	**96.199**	**120.918**	**(16.006)**	**(17.218)**	**(23.648)**	**(56.872)**	**64.046**	**4.331**	**68.377**

Health & Adult Social Care Directorate Budget Plan

Note, the Health & Social Care directorate does not have any planned savings programmes for 2020/21. However, the service will continue to work with health and social care commissioners to look at optimum ways for managing demands across the system and will continue to work with in-house and external provider services to achieve ongoing improvements and efficiencies wherever possible. These ongoing processes will help the service to manage and mitigate, as far as possible, the substantially growing demands and costs within the system caused by increasing levels and complexity of need.

Health & Adult Social Care Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
None	-	-	-	-	-
New Schemes to be Approved					
Better Care Funding Grant *	0.500	0.500	0.500	0.500	0.500
Health & Adult Social Care	**0.500**	**0.500**	**0.500**	**0.500**	**0.500**

* Estimated Funding to be confirmed

Economy, Environment & Culture Directorate

Services and Responsibilities

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

- **City Development & Regeneration** – Leading the council's work with Greater Brighton and city partners to develop a strong and prosperous and sustainable economy. Delivering major regeneration and projects, Planning and Building Control services, and developing new affordable homes through the Living Wage Joint Venture and New Homes for Neighbourhoods Programme.

- **Transport** – Maintaining, managing and improving the city's transport network & highways infrastructure, including the delivery of major infrastructure projects working closely with Department for Transport and Coast to Capital Local Enterprise Partnership (LEP). Effectively regulating traffic management and parking services to deliver reductions in congestion and improvements in air quality, management of surface water flooding, sea defences and coastal structures.

- **City Environmental Management** – Delivering recycling, refuse and street cleaning services to improve the cleanliness of the city, including the delivery of our commercial waste service, garden waste service, and graffiti strategy. Management of our city's parks and open spaces, including the delivery of the Stanmer Park Masterplan.

- **Property –** Leading the council's property strategy and the delivery of corporate and commercial property services with an emphasis upon an investment strategy that delivers new revenue streams from our assets, whilst keeping the council's assets safe and fit for purpose, and contributing to housing delivery, the carbon neutral agenda and community wealth. The council's property and land portfolio includes operational assets such as council offices, town halls, heritage, schools and leisure centre assets, commercial properties and agricultural farmlands.

- **Culture, Tourism & Sport** – Leading the future of the city's unique arts, cultural and tourism offer and expanding this for a wider city region. Establishing a new Cultural Trust for the Royal Pavilion and Museums and progressing the Brighton Waterfront Project to secure a new conference centre and venue for the City. Managing our seafront, tourism and visitor services include the Brighton Centre and our 'Visit Brighton' destination marketing services.

Strategy and Key Proposals

Over the past year, services in the Economy, Environment & Culture directorate have delivered approximately £1.9m of savings (Approx. 5% of net budget). The Integrated Service & Financial Plan proposals for 2020/21 set out savings proposals of £3.354m (Approx. 9% of net budget). These will be achieved through a mixture of commercial approaches to generating income, establishing alternative delivery models, service redesigns and transformations, changes to commissioning, and other proposals.

The budget strategy focuses upon improving the efficiency of services to maintain the city's infrastructure and environment, whilst working increasingly with partners, communities and businesses to find alternative ways to share environmental responsibilities, generate new income streams, reduce costs, and become financially more self-sufficient. A significant focus in 2020/21 will be upon leading delivering and oversight of the emerging 2030 Carbon Neutral programme for the City.

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

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

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

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

Economy, Environment & Culture Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
14.116	Transport	38.847	(40.371)	**(1.524)**	13.204	**11.680**	177.0
35.241	City Environmental Management	34.476	(2.387)	**32.089**	5.449	**37.538**	466.1
3.181	City Development & Regeneration	5.607	(2.951)	**2.656**	0.786	**3.442**	93.3
15.066	Culture, Tourism & Sport	16.241	(12.453)	**3.788**	11.950	**15.738**	207.3
(2.978)	Property	12.200	(10.624)	**1.576**	(5.026)	**(3.450)**	103.8
64.626	**Economy, Environment & Culture Total**	**107.371**	**(68.786)**	**38.585**	**26.364**	**64.949**	**1,047.5**

Economy, Environment & Culture 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Transport										
Concessionary Bus Fares	-	10.681	**10.681**	(0.019)	-	-	**(0.019)**	**10.662**	0.045	**10.707**
Highway & Traffic Management	0.465	1.001	**1.466**	(0.633)	-	-	**(0.633)**	**0.833**	1.985	**2.818**
Highway Assets & Maintenance	0.832	2.566	**3.398**	-	-	-	**-**	**3.398**	4.056	**7.454**
Parking Operations	3.338	12.527	**15.865**	(37.786)	-	-	**(37.786)**	**(21.921)**	2.771	**(19.150)**
Public Transport	0.181	1.341	**1.522**	(0.461)	(0.016)	(0.173)	**(0.650)**	**0.872**	0.063	**0.935**
Road Safety	0.498	(0.024)	**0.473**	(0.022)	-	(0.040)	**(0.061)**	**0.412**	0.566	**0.978**
Road Works Permit Scheme	0.480	0.075	**0.555**	(0.684)	-	-	**(0.684)**	**(0.128)**	0.106	**(0.022)**
Street Lighting & Illuminations	0.134	2.336	**2.470**	(0.034)	-	-	**(0.034)**	**2.436**	0.535	**2.971**
Transport Projects	0.305	0.776	**1.081**	-	-	(0.495)	**(0.495)**	**0.586**	3.444	**4.030**
Winter Maintenance	0.049	0.274	**0.323**	-	-	-	**-**	**0.323**	0.008	**0.331**
Head of Transport, Policy and Strategy	0.837	0.174	**1.011**	(0.010)	-	-	**(0.010)**	**1.001**	(0.374)	**0.627**
Transport Total	**7.118**	**31.729**	**38.847**	**(39.648)**	**(0.016)**	**(0.708)**	**(40.371)**	**(1.524)**	**13.204**	**11.680**
City Environmental Management										
City Clean - Refuse & Recycling	5.399	0.326	**5.726**	(1.019)	-	-	**(1.019)**	**4.706**	2.131	**6.838**
City Clean - Street Cleansing	4.541	0.209	**4.750**	(0.013)	-	-	**(0.013)**	**4.736**	0.603	**5.339**
City Parks	3.738	0.276	**4.013**	(0.348)	(0.030)	(0.060)	**(0.438)**	**3.575**	1.678	**5.253**
Public Conveniences	-	0.774	**0.774**	(0.015)	-	-	**(0.015)**	**0.758**	0.160	**0.919**
Vehicle Fleet & Maintenance	0.733	2.573	**3.306**	(0.071)	-	-	**(0.071)**	**3.235**	0.365	**3.600**
Head of City Environmental Management	0.131	0.018	**0.149**	-	-	-	**-**	**0.149**	(0.001)	**0.148**
Strategy & Projects	0.760	0.235	**0.995**	(0.154)	-	-	**(0.154)**	**0.841**	(0.459)	**0.382**
Waste Disposal	-	14.764	**14.764**	(0.616)	(0.059)	-	**(0.676)**	**14.088**	0.971	**15.059**
City Environmental Management Total	**15.301**	**19.175**	**34.476**	**(2.237)**	**(0.089)**	**(0.060)**	**(2.387)**	**32.089**	**5.449**	**37.538**
City Development & Regeneration										
Building Control	0.773	0.056	**0.829**	(0.849)	-	-	**(0.849)**	**(0.020)**	0.175	**0.155**
Business Development & Customer Services	0.521	0.010	**0.531**	-	-	-	**-**	**0.531**	0.141	**0.672**
Development Planning	1.597	0.091	**1.687**	(1.849)	-	-	**(1.849)**	**(0.162)**	0.307	**0.145**
Economic Development	0.441	0.213	**0.654**	-	(0.142)	-	**(0.142)**	**0.512**	(0.040)	**0.472**
Economy, Environment & Culture Management	0.179	0.005	**0.183**	-	-	-	**-**	**0.183**	(0.183)	
Head Of Planning	0.110	0.029	**0.138**	-	-	-	**-**	**0.138**	(0.138)	**-**
International Team	0.115	0.015	**0.130**	-	-	-	**-**	**0.130**	0.036	**0.166**
Major Projects & Regeneration	0.366	0.020	**0.386**	-	(0.067)	-	**(0.067)**	**0.318**	0.340	**0.658**
Sustainability	0.192	0.182	**0.374**	-	(0.020)	-	**(0.020)**	**0.354**	0.045	**0.399**
Planning Policy, Projects and Heritage	0.576	0.119	**0.695**	(0.023)	-	-	**(0.023)**	**0.671**	0.102	**0.773**

Economy, Environment & Culture 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
City Development & Regeneration Total	**4.867**	**0.740**	**5.607**	**(2.721)**	**(0.229)**	**-**	**(2.951)**	**2.656**	**0.786**	**3.442**
Culture, Tourism & Sport										
Royal Pavilion & Museums	4.956	2.496	**7.452**	(4.444)	(1.345)	-	**(5.790)**	**1.662**	2.120	**3.782**
Seafront Services	0.621	0.359	**0.980**	(2.486)	-	-	**(2.486)**	**(1.506)**	1.303	**(0.203)**
Sports Facilities	0.224	0.921	**1.145**	(0.342)	-	-	**(0.342)**	**0.803**	3.040	**3.843**
Tourism & Marketing	0.368	1.652	**2.020**	(0.225)	(0.153)	-	**(0.378)**	**1.642**	0.068	**1.710**
Venues	2.083	0.081	**2.164**	(2.895)	-	-	**(2.895)**	**(0.730)**	4.251	**3.520**
Volks Railway	0.278	0.055	**0.333**	(0.257)	-	-	**(0.257)**	**0.076**	0.127	**0.202**
Arts (including Partnership Arrangements)	0.095	1.783	**1.878**	-	-	-	**-**	**1.878**	0.890	**2.768**
Outdoor Events	0.117	0.152	**0.269**	(0.305)	-	-	**(0.305)**	**(0.036)**	0.151	**0.115**
Culture, Tourism & Sport Total	**8.742**	**7.499**	**16.241**	**(10.955)**	**(1.498)**	**-**	**(12.453)**	**3.788**	**11.950**	**15.738**
Property										
Architecture & Design	(0.774)	0.159	**(0.615)**	(0.020)	-	-	**(0.020)**	**(0.636)**	0.238	**(0.398)**
Education Property Management	-	0.737	**0.737**	(0.019)	(0.035)	-	**(0.054)**	**0.683**	0.023	**0.706**
Energy & Water Management	0.101	0.007	**0.108**	-	-	-	**-**	**0.108**	(0.106)	**0.002**
Estates Management	0.405	0.933	**1.338**	(9.830)	-	-	**(9.830)**	**(8.491)**	4.292	**(4.199)**
Facilities & Premises	1.454	8.664	**10.119**	(0.720)	-	-	**(0.720)**	**9.399**	(8.905)	**0.494**
Asset Management	0.414	0.098	**0.513**	-	-	-	**-**	**0.513**	(0.568)	**(0.056)**
Property Total	**1.601**	**10.600**	**12.200**	**(10.589)**	**(0.035)**	**-**	**(10.624)**	**1.576**	**(5.026)**	**(3.450)**
Economy, Environment & Culture Total	**37.629**	**69.742**	**107.371**	**(66.150)**	**(1.868)**	**(0.768)**	**(68.786)**	**38.585**	**26.364**	**64.949**

Economy, Environment & Culture Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
Transport		
Concessionary Bus Fares	I t is anticipated the Council will save £300,000 per annum through the agreement of a new 3 Year Fixed Deal or reimbursement with Bus Operators that will continue to provide existing Concessionary Travel arrangements, whilst also expanding the scheme for disabled pass holders. See EIA 7.	0.300
Transport, Policy and Strategy	Increase in development income through planning fees and performance agreements towards the cost of staff activity relating onsite to inspections.	0.010
Parking Services - New Parking Schemes	Three new schemes in 2020/21 (Coombe Road Area, South Portslade Area and Surrenden Area) subject to current consultation. The saving is net of associated additional costs such as staffing, administration, correspondence and appeals/challenges. See EIA 8.	0.800
Parking Services - Overachievement in 2019-20	Continued achievement at 2019-20 levels (Primarily due to seasonal variation in Bus Lane PCN enforcement).	0.600
Parking Services - Raising Charges to gain 4% increase income (Raising parking fees & charges by an average 5.4% to make 4% allowing for demand loss and associated costs of implementation as well as VAT for off-street charges). This is beyond the average 2.7% to make 2% inflationary increase (£600k) which is already required and includes proposals such as initial first and subsequent resident permit increases for full & light touch schemes, initial increase to traders permits and on-street tariff increases. Improving air quality is a key traffic management objective in Brighton & Hove. As part of a range of measures to improve air quality, such as the introduction of a Low Emission Zone, parking charges can help to encourage less polluting travel options and reduce emissions. A further key traffic management objective is to reduce congestion. Fees are set to manage demand for parking and reduce time taken driving around to find a space by increasing turnover of spaces particularly in high demand areas	Raising price of resident full scheme permit to £150 – Keeping quarterly prices (£45) the same to reduce costs to those who find the upfront annual costs more difficult. See EIA 8.	0.225
	Applying surcharges to 2nd and additional resident permits in full schemes (£80) and light touch schemes (£70). Quarterly (£20) and 6 monthly (£35) surcharges will also apply. See EIA 8.	0.027
	Increases to Business permits to £400 yearly and £115 quarterly. See EIA 8.	0.035
	Increasing Traders Permits (Annually to £800, Quarterly to £250). See EIA 8.	0.050
	Increase price of resident visitor permits in Zone B & D (event day schemes) to £3.50 to bring them in line with light touch parking schemes and charge £50 for annual guest permits. See EIA 8.	0.015
	Increasing selected tariffs in Black Rock car park, King Alfred car park, Norton Road car park and other off street car parks. See EIA 8.	0.045
	Increase tariffs at Regency Square car park. See EIA 8.	0.122
	Increase tariffs at Rottingdean off street car parks. See EIA 8.	0.006
	Increase allocation of business permits from 2 to 4. Business permits are issued where it can be demonstrated that there is a business need to park a vehicle in a specific Controlled Parking Zone. See EIA 8.	0.025

Economy, Environment & Culture Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21**
		£m
Transport Projects and Engineering - Lighting & Illuminations	£10k saving from staff restructure which has already been implemented.	0.010
Transport Projects and Engineering - Head of Transport Projects	Reduction in consultancy budget.	0.018
Transport Projects and Engineering - Public Transport	Removal of marketing budget.	0.008
Transport Total		**2.296**
City Environmental Management		
City Clean	Commercial income from expansion of the garden waste scheme and new trade waste business.	0.050
City Parks	Full cost recovery for providing a grounds maintenance service to council tenants through increasing the service charge to reflect actual costs.	0.050
Waste Disposal	Likely savings from Waste PFI contract variation.	0.125
City Environmental Management Total		**0.225**
City Development & Regeneration		
Business Development and Customer Services	The service is currently undertaking a service review which aims to improve service delivery and efficiency. There is an expected saving from the deletion of vacant posts.	0.032
Development Planning - Building Control	Increase building control fees by over 10%. Fees can only be for the delivery of the service and cannot cross-subsidise.	0.050
Economic Development	Savings to be delivered by a reshape of the Economic Development Service	0.050
	Reduction in Initiatives Budget.	0.010
Sustainability & International	Restructure of service to offer up a saving of 0.5 x M11 FTE International Officer post (lower than full 0.5 as there is existing service pressure that absent post relieves) - this would make the overall restructure of the service harder to successfully complete.	0.013
City Development & Regeneration Total		**0.155**
Culture, Tourism & Sport		
Royal Pavilion and Museums - The Keep	Sustainability Plan for the Keep being delivered in partnership with East Sussex County Council and University of Sussex.	0.025
Sport and Leisure	Reduce expenditure on responsive repairs to building and plant. The risk is that reactive maintenance will take longer to complete with more areas temporarily cordoned off/shut for longer. Also, could potentially lead to increased cost from the delay.	0.020
Outdoor Events	Increase fees and charges for events.	0.028
Seafront Services	Shelter Hall - anticipated turnover top up rent from letting the rotunda.	0.015

Economy, Environment & Culture Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
Sports Facilities	Reduce expenditure on client responsibilities of sports facilities contracts. The risk is a delay in undertaking client responsibilities could have a detrimental impact on the quality of the sports facilities. Also, there could be a negative impact on the client/contract partnership with the external operator with a consequent negative impact on the quality of the sports facilities.	0.040
Marketing (incl. Visit Brighton)	Reduction in marketing budgets (£10k) and other supplies & services budgets (£1k). £1.285m of the conferences net budget relates to Internal Subvention Costs.	0.011
Venues - Brighton Centre	Purchase of a new Compactor Unit to reduce the cost of skip hire.	0.009
Venues - Brighton Centre	Remove annual financing costs of Brighton Centre stage by repaying debt in 2019-20.	0.018
Venues - Brighton Centre	Reduction in maintenance budget from £80k to £65k (18.75%) and reduction in utilities budgets £14k due to energy efficiency measures. Any reduction in the maintenance budget will result in repairs taking longer as the remaining budget will need to be prioritised. E.g. lifts, toilets & lights being out of action and routine damage not being repaired during busy periods. This will reflect badly on the business to both existing and prospective customers and could affect income budgets in future years.	0.029
Venues - Brighton Centre	Reduction in casual staffing budgets. Dependent on Customer numbers for each event.	0.023
Venues - Brighton Centre	Reduction in overtime budgets. Reduces ability to cover sickness absences.	0.016
Venues - Brighton Centre	Increased income from reletting of ticketing contract. Dependent on levels of ticket sales from Entertainments.	0.005
Venues - Brighton Centre	Reduction in training budget from £8k to £5k.	0.003
Venues - Brighton Centre	Reduction in marketing budgets for Entertainments & Conferences.	0.006
Venues - Brighton Centre	Reduction in budget for software & internet costs.	0.004
Venues - Brighton Centre	Reduction in supplies & services budgets.	0.008
Culture, Tourism & Sport Total		**0.260**
Property		
Facilities & Building Services - Post & Couriers	Close the Brighton Town Hall post room and distribute all post from Hove Town Hall. Anticipated saving will be met from vacancies.	0.030
Facilities & Building Services - Cleaning, Waste & Security	Combine the Salto building access contracts for both corporate and housing properties.	0.010
Facilities & Building Services - Building M&E Services	Recruit 2x Mechanical & Electrical engineers in-house to avoid the need to employ external consultants. This is subject to successful recruitment of suitably qualified technical staff which has recently proved problematic due to pay scales. In-house professional staff reduce risks and are better value for money.	0.050
Facilities & Building Services - Reactive Maintenance	Expand the in-house maintenance operative service by recruiting more staff to avoid paying external contractors with higher hourly rate charges. This is subject to successful recruitment of suitably qualified & experienced staff.	0.050

Economy, Environment & Culture Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21**
		£m
Building Surveying Services	Increase in fee income by employing more professional staff for work that would otherwise be undertaken by external consultants.	0.015
Architecture & Design	Increase in fee income by employing more professional staff for work that would otherwise be undertaken by external consultants.	0.015
Workstyles Programme Management	Improvements to the Barts House Customer Service Centre (CSC) with reduced maintenance & security expenditure following review of security arrangements, staff entrances and CSC re-design.	0.030
Education Property Management	Deletion of currently vacant post.	0.032
Asset Management	Restructure of Property & Design services to form a combined strategic Estate & Asset management property team, transferring other asset management functions to the relevant property teams & achieving operational benefits identified as part of the 2019 Property & Design Service Review. See Staffing EIA S2.	0.069
Utilities - Corporate Landlord	Savings resulting from the corporate solar photovoltaic programme are only expected to provide small net savings in the first few years with larger savings occurring in years 5+. However, these early year savings are likely to be negated by (a) the general market energy price increases applied to the remainder of the portfolio, (b) the potential surcharge for the future purchase of 'green' energy and (c) the possibility of using the early years saving to reinvest in the energy efficiency investment programme through part-funding additional staff resources to manage the programme.	0.012
Urban Investment Portfolio Management	Release of surplus New England House service charge following review of budget.	0.040
Urban Investment Portfolio Management Rural Investment Portfolio Management In-House Estates Management	Savings resulting from the reprocurement of the Estate Management Consultancy Service Contract.	0.035
Urban Investment Portfolio Management	Increase in rental income from Phoenix House through letting of void units. No capital investment required.	0.030
Property Total		**0.418**
Economy, Environment & Culture Total		**3.354**

Economy, Environment & Culture Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
City Environmental Management					
Fleet Replacement	1.500	1.500	1.500	1.500	1.500
Stanmer Park Restoration Fund HLF	4.000	-	-	-	-
Investment in City Parks	0.180	-	-	-	-
Citywide Play Area Improvement Contract	0.234	0.156	-	-	-
Transport					
Street Lighting Maintenance	2.092	2.022	-	-	-
Valley Gardens Phases 1 & 2	3.305	-	-	-	-
Valley Gardens Phase 3	1.177	5.250	-	-	-
Ultra Low Emissions Taxi Infrastructure Scheme	0.234	-	-	-	-
London Road Car Park Works	0.270	-	-	-	-
City Development & Regeneration					
Waterfront Redevelopment	0.350	0.350	0.350	0.350	0.350
Madeira Terraces Regeneration Design Works	0.500	-	-	-	-
Madeira Terraces Regeneration Implementation Works	-	1.450	-	-	-
Madeira Terraces Crowd Funding Contribution	-	0.436	-	-	-
Black Rock Enabling Works	5.578	4.228	-	-	-
Brighton Research & Innovation Fibre Ring	0.851	-	-	-	-
Culture, Tourism & Sport					
Royal Pavilion Estate Phase 1	11.073	-	-	-	-
Prince Regent - Replacement Mechanical Equipment	0.700	-	-	-	-
Saltdean Lido Replacement Library	0.700	-	-	-	-
Property					
Statutory DDA Access Works Fund	0.069	-	-	-	-
Madeira Terrace Structural Repairs	0.031	-	-	-	-
Stanmer Park Agricultural Buildings	0.110	-	-	-	-
Barts House Cladding & Window Replacement	0.375	-	-	-	-
Workstyles Phase 4	0.500	-	-	-	-
Brighton Town Hall - PMB contribution to refurbishment	0.060	-	-	-	-
Phoenix House	0.332	-	-	-	-
Barts House Mechanical Ventilation - AMF	0.050	-	-	-	-

Economy, Environment & Culture Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
New Schemes to be Approved					
City Environmental Management					
None	-	-	-	-	-
Transport					
Local Transport Plan *	4.458	4.700	5.000	5.000	5.000
Coast Protection Works	1.000	0.600	4.600	12.300	10.000
City Development & Regeneration					
Brighton Waterfront	-	-	20.000	40.000	40.000
Culture, Tourism & Sport					
Royal Pavilion Estate Phases 2 & 3	-	6.500	4.000	-	-
Property					
New England House	0.100	0.100	4.200	25.100	-
Stanmer Park Traditional Agricultural Buildings	0.500	4.285	-	-	-
Planned Maintenance of operational Buildings	0.500	0.500	0.500	0.500	0.500
Planned Maintenance of Social Services Buildings	0.500	0.500	0.500	0.500	0.500
Asset Management Fund	1.000	1.000	1.000	1.000	1.000
Solar Panels for Corporate Buildings	0.500	-	-	-	-
Sustainability & Carbon Reductions Investment Fund	0.500	-	-	-	-
Economy, Environment & Culture	**43.329**	**33.577**	**41.650**	**86.250**	**58.850**

* Estimated Funding to be confirmed from 2021/22

Housing, Neighbourhoods & Communities Directorate

Services and Responsibilities
The HNC Directorate covers the following areas:

- Housing (council housing, Housing Strategy, Private Sector Housing, Temporary Accommodation and Homelessness, Travellers);
- Libraries and information services;
- Safer Communities (Environmental Health, Licensing, Trading Standards Emergency Planning, Prevent ASB and Casework team and Domestic Violence services, Field Officers);
- Communities, Equalities & Third Sector.

The directorate focuses on the issues affecting neighbourhoods, communities and housing aiming to be a landlord of choice, develop closer and better relationship with communities, drive improvement in customer satisfaction and develop the council's working with public service partners. This includes delivering a step change in partnership working with the third sector and enhancements in volunteering opportunities. In addition to the General Fund much of the housing related tenancy functions are funded by the ring-fenced Housing Revenue Account.

The directorate has responsibility for:

- Delivering landlord services to council housing residents and maintaining the council's housing stock;
- Improving conditions in the private rented sector and delivering adaptations to help people live independently in their homes;
- Providing advice and support to prevent homelessness, and temporary accommodation for statutory homeless households;
- Delivering statutory library services across the city and Developing libraries as neighbourhood hubs;
- Closer engagement with local communities in the co-production of neighbourhood focused enforcement services;
- Leading the council's 'Prevent' agenda;
- Delivering volunteering opportunities where possible across common platforms with other public service providers;
- Improving customer satisfaction, complaints resolution and neighbourhood well-being across council services;
- Deepening the understanding across all services of city demographics and the practical measures to address communities of interest and neighbourhoods in need;
- From 1 April 2020 the Council will also be directly delivering the council housing repairs service which has been delivered by Mears for the last 10 years. This is funded by the Housing Revenue Account.

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

Housing

- Landlord to approximately 11,500 council tenants and 2,900 leaseholders;
- Council tenant overall satisfaction rating of 76% and customer service satisfaction rating of 85% (independent STAR survey 2019);

- Annual HRA rents and service charges of £62m per year; capital programme of around £24m a year improving homes; let approx. 550 homes and agree 150 mutual exchanges a year, proposed investment of £180m investment in new homes over the next three years to 2022/23; average of 85 repairs every calendar day;
- Housing Options teams see approximately 4,000 homeless households per year, of which we have reduced the statutory homeless applications from 1041 to 316 as a result of prevention work and reduced those where we have accepted a full housing duty from 487 to 235. This has been achieved by preventing more homelessness and therefore the service is on target to prevent in excess of 800 households from being homeless this year. This reduced the pressure significantly on temporary accommodation;
- 15,000 phone calls and 9,000 contacts in the customer service centre; 1,000 referrals for supported accommodation that require assessment and recording on waiting list;
- Temporary accommodation– 1,733 households in temporary accommodation which is a reduction of 200 on the previous year of which 1,500 are managed in house. Turnover of around 500 lets pa – almost equivalent to turnover for the whole of council housing stock;
- Homemove - the Housing Register has reduced from over 26,000 down to just under 9,000 following the change in policy and re-assessments as a result;
- Currently license 3,423 Houses in Multiple Occupation (HMOs) across the city;
- Adaptations team receive 50+ new referrals per month, in 2019/20 investing a total of £2.8m (HRA £1.1m, General Fund £1.7m) in delivering an estimated 329 major housing adaptations and 17 discretionary grants under the new DFG Housing policy offering a wider range of housing assistance aimed at reducing accidents, relieving fuel poverty and reducing delayed transfers of care.

Libraries

- Jubilee Library is the fifth most popular library in the country with 932,994 visits a year (2016-17 CIPFA data);
- Over 1.3 million people visit our libraries every year, including nearly 30,000 during Libraries Extra hours;
- Lend over 1 million items a year;
- 93% of users tell us our library services are excellent or good;
- Network of 14 libraries across the city;
- Over 1.4 million visits to libraries last year (2018-19), and nearly 1 million library items were loaned or borrowers, with 67% of transactions being self service;
- 1.65 million website user sessions on libraries web pages, and 64% of all joining, reservations and renewals took place online in 2018-19.

Safer Communities

- Over 96% of the 3,200 food businesses in the city rated 3 or above on the national Food Hygiene Rating Scheme thanks to the work of the Food Safety Team;
- The new Field Officer team taking dealt with more than 950 jobs in the three months following the launch in December;
- Community Safety Casework Team, Anti-Social Behaviour and hate incidents – 821 initial reports and enquiries dealt with in 2018/19. The Casework Team dealt with 330 victims supported;
- 155 perpetrators engaged with;
- 88 restorative intervention offers and 75 restorative interventions undertaken;
- 137 multi-agency case conferences attended;
- Domestic violence and abuse: 1,877 referrals for domestic violence and abuse, 206 referrals for sexual violence;
- 1,400 licensed premises in the city. 580 Hackney Carriage and 498 private hire vehicles licensed and 278 gambling premises licensed;
- Trading standards aim to save over £0.030m per annum for vulnerable consumers and small businesses in the City;
- 2,376 noise complaints including both domestic and commercial requiring investigation;

- 800 programmed inspections carried out so far in 2019/20 of our 1,500 food premises. 390 inspections of new business. 44 FHRS businesses paid for rescores generating £6,644 income;
- 149 service requests dealt with and 103 accident notifications dealt with by the Health and Safety officers;
- 106 stray dogs dealt with, 116 dangerous dog attacks investigated and 16 Animal Licences issued;
- 1,623 pest control treatments and 1,388 revisits to these jobs;
- £0.068m income generated from pest control treatments.

Communities, Equalities & Third Sector

- £2.2m invested in the voluntary sector per year through the Third Sector Commission, supporting 35,959 people in its first year and levering in £6.27m, ensuring equality is at the heart of how the council operates;
- 102 community groups received an annual grant from the council's Communities Fund totalling investment of £0.364m;
- 14 refugee families resettled to the city since December 2015 through the council's commitment to the UK refugees resettlement schemes;
- Developed action plans for seven neighbourhoods;
- Helped 1,736 people volunteer across 12 council services.

Housing, Neighbourhoods & Communities Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
6.048	Housing General Fund	25.186	(19.030)	**6.156**	0.958	**7.114**	118.5
6.227	Libraries	5.299	(0.529)	**4.770**	1.858	**6.628**	61.7
2.913	Communities, Equalities & 3rd Sector	2.937	(0.244)	**2.693**	0.179	**2.872**	8.3
3.493	Safer Communities	4.720	(2.242)	**2.478**	0.555	**3.033**	73.4
18.681	**Housing, Neighbourhoods & Communities Total (Excluding HRA)**	**38.142**	**(22.045)**	**16.097**	**3.550**	**19.647**	**261.9**
-	Housing Revenue Account (HRA)	59.370	(62.192)	**(2.822)**	2.822	**-**	487.7
18.681	**Housing, Neighbourhoods & Communities Total (Including HRA)**	**97.512**	**(84.237)**	**13.275**	**6.372**	**19.647**	**749.6**

Housing, Neighbourhoods & Communities (General Fund) 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Housing General Fund										
Housing Management & Support	0.136	0.006	**0.142**	-	(0.068)	-	**(0.068)**	**0.075**	(0.073)	**0.001**
Housing Options & Homelessness	1.913	0.067	**1.980**	(0.028)	-	(0.401)	**(0.429)**	**1.551**	0.191	**1.742**
Housing Strategy & Enabling	0.245	0.007	**0.251**	-	(0.050)	-	**(0.050)**	**0.201**	0.036	**0.237**
Private Sector Housing	1.214	0.034	**1.248**	(0.463)	(0.145)	-	**(0.608)**	**0.640**	0.208	**0.848**
Temporary Accommodation	1.392	19.644	**21.037**	(12.278)	(0.032)	(5.481)	**(17.791)**	**3.246**	0.514	**3.760**
Travellers Services	0.200	0.327	**0.528**	(0.085)	-	-	**(0.085)**	**0.443**	0.083	**0.526**
Housing General Fund Total	**5.101**	**20.085**	**25.186**	**(12.854)**	**(0.294)**	**(5.882)**	**(19.030)**	**6.156**	**0.958**	**7.114**
Libraries										
Libraries & Information Services	2.154	3.145	**5.299**	(0.502)	(0.027)	-	**(0.529)**	**4.770**	1.858	**6.628**
Libraries Total	**2.154**	**3.145**	**5.299**	**(0.502)**	**(0.027)**	**-**	**(0.529)**	**4.770**	**1.858**	**6.628**
Communities, Equalities & Third Sector										
Communities	0.420	2.426	**2.846**	-	(0.195)	-	**(0.195)**	**2.651**	0.163	**2.814**
Community Safety	0.091	-	**0.091**	-	(0.049)	-	**(0.049)**	**0.042**	0.016	**0.058**
Communities, Equalities & Third Sector Total	**0.511**	**2.426**	**2.937**	**-**	**(0.244)**	**-**	**(0.244)**	**2.693**	**0.179**	**2.872**
Safer Communities										
Animal Welfare	0.071	0.055	**0.126**	(0.013)	-	-	**(0.013)**	**0.113**	0.014	**0.127**
Civil Contingencies	0.100	0.012	**0.112**	-	-	-	**-**	**0.112**	0.026	**0.138**
Community Safety	0.453	1.831	**2.284**	-	(1.147)	-	**(1.147)**	**1.137**	0.096	**1.233**
Environmental Health	1.022	0.009	**1.030**	(0.020)	(0.064)	-	**(0.084)**	**0.946**	0.180	**1.126**
Licensing	0.560	0.051	**0.611**	(0.864)	-	-	**(0.864)**	**(0.253)**	0.172	**(0.081)**
Pest Control	0.105	0.015	**0.121**	(0.085)	(0.040)	-	**(0.125)**	**(0.005)**	0.013	**0.008**
Trading Standards	0.400	0.037	**0.437**	(0.009)	-	-	**(0.009)**	**0.428**	0.055	**0.483**
Safer Communities Total	**2.710**	**2.010**	**4.720**	**(0.991)**	**(1.251)**	**-**	**(2.242)**	**2.478**	**0.555**	**3.033**
Housing, Neighbourhoods & Communities Total	**10.477**	**27.665**	**38.142**	**(14.346)**	**(1.817)**	**(5.882)**	**(22.045)**	**16.097**	**3.550**	**19.647**

Housing Revenue Account (HRA) 2020/21 Revenue Budget Breakdown										
Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Estate Regeneration	0.319	0.033	**0.352**	-	-	-	**-**	**0.352**	-	**0.352**
Housing Management & Support	1.382	30.502	**31.885**	-	(0.091)	-	**(0.091)**	**31.794**	2.822	**34.616**
Housing Strategy (HRA)	0.479	0.312	**0.792**	(0.461)	-	-	**(0.461)**	**0.331**	-	**0.331**
Income Involvement & Improvement	2.106	1.310	**3.416**	(50.839)	(0.032)	-	**(50.871)**	**(47.455)**	-	**(47.455)**
Property & Investment	7.041	8.446	**15.486**	(5.565)	-	-	**(5.565)**	**9.921**	-	**9.921**
Tenancy Services	4.342	3.097	**7.439**	(5.204)	-	-	**(5.204)**	**2.235**	-	**2.235**
Housing Revenue Account (HRA) Total	**15.670**	**43.700**	**59.370**	**(62.069)**	**(0.123)**	**-**	**(62.192)**	**(2.822)**	**2.822**	**-**

Housing, Neighbourhoods & Communities Directorate Budget Plan		
Section	Summary of Budget Proposals, Strategy and Risks	Savings 2020/21 £m
Housing General Fund		
Housing Strategy & Development - enabling & delivering increased housing supply & quality.	In line with the Housing Committee Work Plan to enable delivery of 800 additional council homes and 700 new affordable homes. The budget saving proposal in the General Fund is to accurately reflect the work on supporting the supply of new affordable housing to contribute to this through the HRA.	0.050
Private Sector Housing & Integrated Housing Adaptations Service - improving housing quality in private rented homes, enabling accessibility & supporting independent living across all tenures.	Improving the conditions in the Private Rented Sector reflecting the priorities in the Housing Committee Work Plan 2019-2023. The Private Sector Housing service is largely self funding through licence fees ring-fenced to administration of the current schemes. Integrated cross tenure Housing Adaptations Service including the assessment and delivery of major housing adaptations through the mandatory Disabled Facilities Grant (DFG) and the HRA Capital Programme. In addition, the service commissions new adapted homes and ensures best use of existing adapted/accessible housing. This service promotes vulnerable households to live independently in their own home and has been demonstrated to deliver significant cost benefits to Social Care and Health. This proposed saving arises from further capitalisation of salaries now that capital grant has increased over the last few years.	0.050
Temporary Accommodation & Allocations	An increase in prevention of homelessness will reduce the numbers of households that need TA provision. Increasing prevention, enabling people to remain in their homes or be supported to move to	0.150

Housing, Neighbourhoods & Communities Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	alternative settled accommodation reduces households in TA by 150 by end of 2019/20 and further reductions in 2020/21. Delivery can be achieved but there are risks if demand for TA increases and or we are unable to meet target to discharge duty to suitable accommodation in the private rented sector. More work is currently taking place to scrutinise both the use of different forms of temporary accommodation and the unit costs of such accommodation.	
Temporary Accommodation & Allocations	Improvement of void turnaround times. Implement the outcomes of the business process review of TA and HRA void turnaround function to improve resilience and reduce rent loss. Void loss improvement is a challenge as is reliant on other partners.	0.100
Temporary Accommodation & Allocations	Improvement of rent collection. The current rent collection process is the subject of a business process review to maximise rent collection from households in TA.	0.100
Travellers	Additional income from both transit and permanent sites and a reduction in legal and rubbish clearance costs due to fewer unauthorised encampments. Risk: If there are more unauthorised encampments than the current trend, costs will increase	0.050
Housing General Fund Total		**0.500**
Libraries		
Staffing and operational costs	In the last five years, Libraries have saved £805k through a strategic approach to modernising library services. Opening hours have doubled, and staffing has been reduced by 30.6% (27.2 FTE), yet no service points have been closed. Libraries have completed a zero based budget review of operational costs and income to offer an additional net saving of £31k.	0.031
Staffing and operational costs	Net saving possible from a budget amendment last year, which reversed £121k of staff savings offered up in 2019/20, - through prudent use of the amendment money only £63k was needed to address the issues raised during the restructure consultation, so net saving of £58k is possible.	0.058
Libraries Total		**0.089**
Communities, Equalities and Third Sector		
Communities, Equalities and Third Sector (CETS) Development staffing and operational budget	A service redesign and staff consultation across the Communities, Equalities and Third Sector structure will be carried out to release the proposed staff saving with due regard to the council's priorities for supporting a diverse and welcoming city, those most affected by austerity and community wealth	0.073

Housing, Neighbourhoods & Communities Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	building as well as ensuring the council meets its legal obligations under the Public Sector Equality Duty. The function consists of the following posts: Head of Service, Senior Support Assistant, Third Sector Manager, Communities Fund Manager, Contracts and Monitoring Officer, Community Engagement Manager, Community Engagement Officers (8), Community Engagement Administrator (1), Equality Managers (2), LGBT Manager, Refugee and Migrant Manager. See Staffing EIA S3.	
Communities, Equalities and Third Sector (CETS) Development staffing and operational budget	(Initiatives budget) Reduced work on equalities and communities projects in response to community and member drivers for example race advocacy worker, Signlive British Sign Language (BSL) video relay trial in Barts customer service centre, period poverty, modern slavery. However as there are no ongoing legal commitments through this fund a saving is possible. Clear communication will be needed to members and the communities. External funding will have to be sought for any future projects - this is not always open to the council and thus may place a potential burden on the Community & Voluntary Sector (CVS).	0.020
Communities Fund	3% General Fund budget reduction on programme. As an annual programme there is opportunity to reduce the budget ahead of the start of the new year's programme 2020/21. The fund predominantly supports grass root volunteer led organisations being both a starter fund for new/small groups and building resilience for medium sized groups supplementing their own fundraising and volunteer time, and acting as a validation to other funders. See EIA 9.	0.010
Healthwatch	Contractual commitment to meet the legislative duty for each Local Authority area to have an independent health and social care watchdog. Reduction in budget to match contract value (services were recommissioned for 2017/18-2019/20; with a 10% reduction in contract value from 2017/18).	0.011
Communities, Equalities & Third Sector Total		**0.114**
Safer Communities		
Environmental Health & Licensing	Offer of voluntary severance followed by service redesign. See Staffing EIA S4.	0.033
Environmental Health & Licensing	Delete part time Senior Environmental Health Officer (M10) £24k which is currently vacant. Additional savings to be found through limited voluntary severance and service redesign. See Staffing EIA S4.	0.046
Environmental Protection	Reduction in hours from a Technical Officer post (effective from July 2019). See staffing EIA S4.	0.015
Trading Standards	Offer of limited voluntary severance followed by service redesign. See Staffing EIA S4.	0.024
Community Safety - Casework Team	Deletion of vacant post within Community Safety team. See Staffing EIA S4.	0.052
Safer Communities Total		**0.170**
Housing, Neighbourhoods & Communities Total		**0.873**

Housing, Neighbourhoods & Communities (GF) Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
Housing Delivery - Joint Venture	12.605	18.532	21.417	12.304	0.155
Brighton & Hove Seaside Community Homes maintenance & refurbishment	0.712	0.741	0.770	0.800	0.800
Libraries Self Service Renewal	0.250	-	-	-	-
Hove Library works	0.039	-	-	-	-
New Schemes to be Approved					
Disabled Facilities Grant (Better Care Funding) *	1.000	1.000	1.000	1.000	1.000
Housing, Neighbourhoods & Communities (GF)	**14.606**	**20.273**	**23.187**	**14.104**	**1.955**

* Estimated Funding to be confirmed

Housing Revenue Account Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
Improving Housing Quality	1.400	-	-	-	-
Brighton & Hove Standard Works	-	-	-	-	-
Sustainability & Carbon Reduction	0.225	-	-	-	-
Tackling Inequality	-	-	-	-	-
Delivery of New Council Homes	16.638	2.119	-	-	-
New Schemes to be Approved					
Improving Housing Quality	10.352	17.235	14.063	-	-
Brighton & Hove Standard Works	3.952	5.159	4.523	-	-
Sustainability & Carbon Reduction	3.668	2.352	2.306	-	-
Tackling Inequality	2.014	1.988	1.990	-	-
Delivery of New Council Homes	20.134	71.657	69.562	-	-
Housing Revenue Account	**58.383**	**100.510**	**92.444**	**-**	**-**

Finance & Resources Directorate

Services and Responsibilities

The Directorate covers the following areas and delivers services through its participation in the Orbis Partnership, along with East Sussex and Surrey County Councils.

- Orbis Finance:
  - Oversees the delivery of the council's Medium Term Financial Strategy (MTFS) and annual budget process
  - Delivers the Targeted Budget Management process in order to monitor and balance budgets on an ongoing basis
  - Supports over 250 budget managers and 68 schools
  - Provides Treasury Management for over £100m cash balances and investments and over £0.5 billion money market transactions annually
  - Produces annual Financial Statements and manages the external audit process
  - Procures and negotiates over £1.8 billion insurance cover through premiums (£1.6m pa)
  - Provides contracted financial services to South Downs National Park and other trusts
  - Provides over 1,000 audit days for circa 50 internal audit reviews
  - Investigates potential housing tenancy, contract and financial irregularity frauds

    (Note: Surrey County Council retains the majority of its Finance function as a sovereign function outside of Orbis)
- Orbis Procurement:
  - Supports procurement of goods and services to the value of approximately £300m
  - Supports and trains circa 250 contract managers together with Legal Services
  - Supports a risk-based strategy to maximise savings from contracts and re-tenders
  - Manages and authorises waivers of Contract Standing Orders
  - Supports the Member Procurement Advisory Board to scrutinise significant procurements
- Orbis Human Resources & Organisational Development:
  - Delivery of 'Our People Promise' which includes the council's development offer for staff, and aims to help improve the council's performance
  - Provides HR Services to:
    - 750 team leaders, supervisors and managers
    - circa 4,500 council staff
    - almost 5,000 staff in the City's schools
  - Coaching, development and advice services to around 750 team leaders, supervisors and mangers
  - Health & Safety advice and support for all council services

    (Note: Surrey County Council retains Human Resources & Organisational Development as a sovereign function outside of Orbis)

- Orbis IT & Digital:
    - Supports the development and improvement of council services through the provision of technology (including mobile) and business advice
    - Provision of data protection services for email, applications and devices
    - Database management and maintenance of major corporate information systems
    - Management and procurement of voice, data centres, data storage, telephony, Citrix (remote access) and other contracts
    - Support for development of the council's customer digital service offer

- Orbis Business Operations:
    - Collection and recovery of Adult Social Care and Sundry Debts (Business and Personal) (Accounts Receivable)
    - Payroll services to the council, schools and South Downs National Park
    - Processing over 200,000 payments to the council's suppliers and providers (Accounts Payable)
    - Provision of banking, purchasing card and urgent payment services
    - All Revenues & Benefits services including:
        - Collection and recovery of £177m Council Tax (and Council Tax Reduction Scheme)
        - Collection and recovery of £137m Business Rate income
        - Processing of Housing Benefit claims and managing the transfer to Universal Credit
        - Collection and recovery of Housing Benefit Overpayments
        - Provision of Enforcement Agent services
        - Support for the council's Welfare Framework and Welfare Rights

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

Its key strategic objectives are as follows:

- Ensure that sustainable and resilient corporate services are in place through participation in the Orbis partnership, enabling delivery of significant savings across the partnership.
- Support the council through complex changes, and in particular the modernisation agenda using its network of Orbis Finance, Procurement, HR and IT & D business partners.
- Improve efficiency and economy through integration or collaboration wherever possible, particularly across process driven areas such as Orbis Business Operations.
- Challenge and reduce the cost of goods and services through strong, collaborative procurement practice, and support the improvement of contract management across the council.
- Help BHCC to develop and deliver 'Our People Promise' to improve the council's development and support offer to current and future employees.

- Achieve key tax collection targets while navigating and supporting residents through welfare reforms.
- Improve BHCC's IT & D infrastructure, tooling and networks (including the provision of mobile phones and laptops) and support the delivery of Customer Digital objectives.
- Continue to develop Internal Audit's innovative approach to risk management.

Strategy and Key Proposals

During the 4-year period from 2016/17 to 2019/20 the directorate reduced its net budget by over 20% including as part of the Orbis Partnership from 2018/19. The budget plan for 2020/21 continues this direction of travel and sets out reachable targets for further efficiencies. Key proposals involve further restructuring of staffing and optimisation of processes across Business Operations function as well as further economies in IT&D and Procurement as these services look for further alignment opportunities.

Orbis will engage with the key customers to develop further services that meet customer requirements, while recognising that the authorities have joined the partnership in order to achieve back-office savings. This will include consideration of potential major information system replacement with Orbis partners as all partners' corporate systems are now ageing and/or expected to fall out of contract within the next 5 years.

Note that the directorate is responsible for a number of budgets referred to as MOBO (Managed on Behalf of) budgets. These are budgets managed by Orbis services on behalf of BHCC (and the other partners) but are not formally part of the partnership arrangements.

Finance & Resources Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
0.061	Finance (Mobo)	0.327	(0.055)	**0.272**	(0.341)	**(0.069)**	0.0
0.969	HR & Organisational Development (Mobo)	0.759	(0.134)	**0.625**	(0.414)	**0.211**	11.8
0.590	Information Technology & Digital (Mobo)	3.077	(0.173)	**2.904**	(2.807)	**0.097**	2.3
0.001	Procurement (Mobo)	(0.253)	-	**(0.253)**	0.424	**0.171**	0.0
(0.010)	Business Operations (Mobo)	(0.190)	-	**(0.190)**	0.190	**0.000**	4.0
5.747	Revenues & Benefits (Mobo)	128.452	(123.845)	**4.607**	1.261	**5.868**	154.3
(0.140)	Contribution to Orbis Partnership	10.909	-	**10.909**	(10.482)	**0.427**	303.1
7.219	**Finance & Resources Total (Excluding Centrally Managed Budgets)**	**143.081**	**(124.207)**	**18.874**	**(12.168)**	**6.706**	**475.5**
(57.049)	Centrally Managed Budgets	15.331	(30.141)	**(14.810)**	(43.053)	**(57.863)**	0.0
(49.830)	**Finance & Resources Total (Including Centrally Managed Budgets)**	**158.411**	**(154.347)**	**4.064**	**(55.221)**	**(51.157)**	**475.5**

Finance & Resources 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Finance (Mobo)										
Audit & Business Risk	0.002	0.008	**0.010**	-	(0.001)	-	**(0.001)**	**0.009**	(0.010)	**(0.001)**
Financial Services	0.195	0.122	**0.317**	-	(0.054)	-	**(0.054)**	**0.263**	(0.330)	**(0.067)**
Finance (Mobo) Total	**0.197**	**0.130**	**0.327**	**-**	**(0.055)**	**-**	**(0.055)**	**0.272**	**(0.341)**	**(0.069)**
HR & Organisational Development (Mobo)										
Business Partnering & Workforce Development	0.905	0.004	**0.909**	(0.033)	-	(0.040)	**(0.073)**	**0.836**	-	**0.836**
Health, Safety & Wellbeing	(0.172)	0.000	**(0.172)**	-	-	-	**-**	**(0.172)**	-	**(0.172)**
HR Strategy, Policy & Projects	0.001	0.020	**0.022**	(0.039)	(0.021)	-	**(0.061)**	**(0.039)**	(0.414)	**(0.453)**
HR & Organisational Development (Mobo) Total	**0.734**	**0.025**	**0.759**	**(0.073)**	**(0.021)**	**(0.040)**	**(0.134)**	**0.625**	**(0.414)**	**0.211**
Information Technology & Digital (Mobo)										
IT & D Services	0.028	3.049	**3.077**	(0.031)	(0.142)	-	**(0.173)**	**2.904**	(2.807)	**0.097**
Information Technology & Digital (Mobo) Total	**0.028**	**3.049**	**3.077**	**(0.031)**	**(0.142)**	**-**	**(0.173)**	**2.904**	**(2.807)**	**0.097**
Procurement (Mobo)										
Corporate Procurement	(0.214)	(0.039)	**(0.253)**	-	-	-	**-**	**(0.253)**	0.424	**0.171**
Procurement (Mobo) Total	**(0.214)**	**(0.039)**	**(0.253)**	**-**	**-**	**-**	**-**	**(0.253)**	**0.424**	**0.171**
Business Operations (Mobo)										
Business Operations	(0.167)	(0.023)	**(0.190)**	-	-	-	**-**	**(0.190)**	0.190	**0.000**
Business Operations (Mobo) Total	**(0.167)**	**(0.023)**	**(0.190)**	**-**	**-**	**-**	**-**	**(0.190)**	**0.190**	**0.000**
Revenues & Benefits (Mobo)										
Housing Benefit Transfer Payments	-	120.308	**120.308**	(3.777)	-	(117.282)	**(121.059)**	**(0.751)**	0.255	**(0.496)**
Revenues & Benefits	5.624	2.520	**8.144**	(0.982)	(0.520)	(1.284)	**(2.786)**	**5.358**	1.006	**6.364**
Revenues & Benefits (Mobo) Total	**5.624**	**122.828**	**128.452**	**(4.759)**	**(0.520)**	**(118.566)**	**(123.845)**	**4.607**	**1.261**	**5.868**
Contribution to Orbis Partnership										
Contribution to ORBIS Services	-	10.909	**10.909**	-	-	-	**-**	**10.909**	(10.482)	**0.427**
Contribution to Orbis Partnership Total	**-**	**10.909**	**10.909**	**-**	**-**	**-**	**-**	**10.909**	**(10.482)**	**0.427**
Finance & Resources Total	**6.202**	**136.878**	**143.081**	**(4.863)**	**(0.738)**	**(118.606)**	**(124.207)**	**18.874**	**(12.168)**	**6.706**

Centrally Managed Budgets 2020/21 Revenue Budget Breakdown										
Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Capital Charges	-	-	**-**	-	-	-	**-**	**-**	(44.649)	**(44.649)**
Contingency	-	1.546	**1.546**	-	-	-	**-**	**1.546**	-	**1.546**
Financing Costs	-	8.138	**8.138**	-	(1.154)	-	**(1.154)**	**6.984**	-	**6.984**
Insurance Premiums	0.480	2.627	**3.107**	-	-	-	**-**	**3.107**	(3.108)	**(0.001)**
Levies & Precepts	-	0.211	**0.211**	-	-	-	**-**	**0.211**	-	**0.211**
Other Corporate Services	2.326	0.002	**2.328**	-	0.204	-	**0.204**	**2.532**	4.703	**7.235**
Unringfenced Grants	-	-	**-**	-	-	(29.190)	**(29.190)**	**(29.190)**	-	**(29.190)**
Centrally Managed Budgets Total	**2.806**	**12.524**	**15.331**	**-**	**(0.951)**	**(29.190)**	**(30.141)**	**(14.810)**	**(43.053)**	**(57.863)**

Finance & Resources Directorate Budget Plan		
Section	Summary of Budget Proposals, Strategy and Risks	Savings 2020/21 £m
Information Technology & Digital (Mobo)		
Information Technology & Digital (Mobo)	Management of these sovereign contracts and licenses by the Orbis Shared Service on behalf of BHCC presents opportunities for reduction of costs through economies of scale. The current roll out of Windows 10 and replacement laptops and desktop computers is being funded through the capital programme. It is proposed to incorporate a 5 year replacement programme into capital investment plans which will release the majority of the revenue budget provision. Delivery Risk: Potential risk that limited availability of commercial skills and capacity will lead to financial risks on contracts. Impact on Outcomes: Demand for services may outstrip ability to drive savings within contracts. Contract/supplier management capacity is an issue that the Orbis partnership may help to mitigate.	0.225
Information Technology & Digital (Mobo) Total		**0.225**
Revenues & Benefits (Mobo)		
Administration of Housing Benefits and Council Tax Reduction awards - staffing costs budget	The savings are realised from the ongoing programme of downsizing the Housing Benefit element of Revenues and Benefits as cases move to Universal Credit. The reduction in staff resource is proportional to the reduction in workload taking into account the increased demand for Universal Credit related welfare support and the introduction of improved digital services and automation.	0.250

Finance & Resources Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
Revenues & Benefits (Mobo) Total		**0.250**
Contribution to Orbis Partnership		
This service area represents Orbis partnership services including Finance, HROD, Procurement, IT&D and Business Operations. The Revenues & Benefits Service is also part of the partnership but is regarded as a 'Managed on Behalf of' (Mobo) budget and therefore remains a sovereign BHCC budget and service under the current arrangements.	In 2016, the Policy, Resources & Growth Committee approved the council's strategy to join the Orbis Partnership. The key aims were to ensure that corporate services could continue to be delivered through the achievement of sufficient scale whilst maintaining the status of Brighton & Hove terms and conditions for staff. The council became the third founding member of the Partnership in May 2017 and budgets were fully integrated from April 2018. Following the agreement earlier in 2019 for Surrey County Council to withdraw a number of services from Orbis and for Property Services to be withdrawn by all three partners, revised savings targets need to applied to reflect these changes. Agreement to savings levels still need to be approved by the Orbis Board however the assumption for 2020/21 is £477k across Business Operations, IT&D and Finance.	0.477
Contribution to Orbis Partnership Total		**0.477**
Finance & Resources Total		**0.952**

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Corporately Held Budgets Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
Centrally Managed Budgets		
Financing Costs - Debt and investment interest	Service is provided through a combination of professional advisors and in house treasury management. The service proactively reviews debt portfolios to explore opportunities to bring down average debt costs. A combination of higher cash balances, reduced cost of new borrowing and the planned use of Short Dated Bond funds for an element of investments is expected to release £250k in 2020/21	0.250
Centrally Managed Budgets Total		**0.250**

Finance & Resources Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
Field Officers Funding	0.312	0.312	-	-	-
New Schemes to be Approved					
Modernisation Fund	5.896	3.770	3.330	2.490	-
IT&D Fund	0.500	0.500	0.500	0.500	0.500
Strategic Investment Fund	0.250	0.250	0.250	0.250	0.250
Desktop & Laptop Replacement Programme	0.250	0.250	0.250	0.250	0.250
Finance & Resources	**7.208**	**5.082**	**4.330**	**3.490**	**1.000**

Strategy, Governance & Law Directorate

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

Legal Services (net budget £1.480m)
This service provides legal advice and representation across all of the Council's functions as well as the Monitoring Officer function. The team includes the Safeguarding Team, which supports adult and children's safeguarding functions, an area where there is a significant increase nationally in Court proceedings. The team provides advice to other public bodies and generates approximately £500k per annum in external income. The Service has established a shared services Partnership, Orbis Public Law, with East Sussex and West Sussex County Councils. The aim of the Partnership is to give greater resilience and economies of scale, enabling the support of priority services and objectives.

Democratic and Civic Office Services (net budget £1.730m – including Members Allowances)
This service provides support to Members generally, is responsible for the co-ordination and administration of the democratic decision-making process, Member training & development, administering of School Appeals and the Members' allowances scheme. It also includes responsibility for the Civic Office, (including the Mayor and the Lord Lieutenant) and as a service has compared favourably with others through CIPFA benchmarking data.

Policy & Partnerships (net budget £0.624m)
This includes the Policy, Partnerships and Scrutiny teams. The partnership service is part funded by partners in the City and supports Brighton & Hove Connected as well as a number of initiatives in co-ordination with partners in the city.

Life Events (net budget £0.068m – consisting of gross expenditure of £3.513m and income of £3.445m)
This includes Electoral Services, Local Land Charges, Registration and Bereavement Services. As the net budget figures indicate, it is largely funded from income generated from fees and charges. The service has delivered significant savings over previous years, and has experienced some real challenges, including snap General Elections, staffing changes at a senior level in the Electoral Services and Registration Teams, and competition from alternative providers, influencing fees and charges pricing structures. Recently there has been a Competition and Markets Authority (CMA) review of costs of funerals nationally, which whilst not concluded, may impact on LAs abilities to set fees.

Performance, Improvement & Programme Management (net budget £0.626m)
The role of this service is to drive continuous improvement and efficiency across the organisation to minimise the adverse impact of financial challenges on customers, avoid costly mistakes and better protect council reputation. It also has responsibility for ensuring objective resolution of customer dissatisfaction and taking strategic lead in improving customer experience through effective customer insight. The Customer Feedback team processes approx. 2,000 Stage 1 complaints and 1,000 compliments, investigates approx. 200 Stage 2 complaints and assists the Ombudsman with approx. 100 cases. The performance team drives the corporate and directorate planning and monitoring processes. There are currently 6 Directorate Plans, 24 Service Plans and 69 Corporate Key Performance Indicators. The Risk Management Lead drives regular risk

reviews, there are currently 7 city wide, 16 strategic, 27 directorate risks. The service is also responsible for production of the statutory Annual Governance Statement evidencing effectiveness of corporate governance. A number of modernisation projects and programmes across the organisation in all directorates are managed from the Corporate Programme Management Office which is funded largely from one-off modernisation funding. There are currently approx. 20 corporate and 34 directorate projects/programmes.

Corporate Communications (net Budget £0.599m)
Vision Statement: Connecting the council and the city.
Mission Statement: To provide accessible, engaging, responsive information, ensure opinions are actively sought, easy to give and demonstrably listened to, and create unity and pride amongst staff.

Communications is a centralised service at Brighton & Hove City Council and sits in the Strategy, Governance & Law directorate. The Communications Team can provide advice to all councillors and staff on communications. The team also advises on the appropriateness and legality of any proposed proactive and reactive publicity, if necessary, seeking further advice from the council's Legal Team.

From crafting engaging content, to project managing campaigns that help change behaviors, Brighton & Hove City Council's Communications Team provides a fully integrated service that covers:

- Campaigns, marketing, public relations, film-making and copywriting. Turning complex messages into impactful content that reaches target audiences through innovative Campaign Plans clearly aligned to service, policy or corporate objectives;
- Internal communications; organisational culture and public affairs – building and supporting a network of ambassadors who can amplify our messages from the inside, out;
- Media relations. Supporting staff and councillors by acting as a central hub for proactive and reactive media relations relating to the council's corporate activities. Generating compelling news stories across newspapers, TV and radio, providing responses to media enquiries, managing requests for interviews, statements and comments and putting the story straight when misrepresented;
- Graphic design and branding. Managing the council's identity so that our 700+ services are clearly recognised, creating powerful, visual, branded content that stands out;
- Consultation and engagement. Designing interactive and creative processes which gather a true understanding of peoples' needs, enabling services to work towards solutions based on those needs;
- Digital communications. Communicating online; building a strong presence in a city that thrives on digital media. Using social media platforms as an appropriate and effective way to connect with communities, promote online services, gather real-time insights and respond to comments and complaints.
  The internet has transformed every aspect of life including public services. The Communications Team aims to build on and further improve the value of the council's website, improving customer access and satisfaction;
- Emergency and crisis communications. Supporting the council and the city in the immediate aftermath of a significant incident and in the recovery stages.

Strategy, Governance & Law Budget Summary

2019/20 Net Expenditure / (Income)	Service Area	2020/21 Budget					2020/21 Budgeted Contracted Staff
		Expenditure	Income	Budget Allocation	Capital Charges & Recharges	Net Expenditure / (Income)	
£m		£m	£m	£m	£m	£m	FTE
0.038	Corporate Policy	0.770	(0.146)	**0.624**	(0.598)	**0.027**	6.5
(0.055)	Legal Services	1.934	(0.454)	**1.480**	(1.483)	**(0.003)**	49.0
0.003	Democratic & Civic Office Services	1.817	(0.087)	**1.730**	(1.723)	**0.008**	14.4
0.803	Life Events	3.513	(3.445)	**0.068**	0.839	**0.907**	48.2
(0.045)	Performance, Improvement & Programmes	0.626	-	**0.626**	(0.583)	**0.043**	19.4
0.022	Communications	0.615	(0.016)	**0.599**	(0.554)	**0.046**	13.4
0.767	**Strategy, Governance & Law Total**	**9.275**	**(4.148)**	**5.127**	**(4.101)**	**1.026**	**150.9**

Strategy, Governance & Law 2020/21 Revenue Budget Breakdown

Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Corporate Policy										
Chief Executives Office	0.274	0.013	**0.288**	-	-	-	**-**	**0.288**	(0.307)	**(0.019)**
Democratic Services	0.054	-	**0.054**	-	-	-	**-**	**0.054**	(0.051)	**0.003**
Policy, Partnerships & Scrutiny	0.342	0.087	**0.428**	-	(0.146)	-	**(0.146)**	**0.282**	(0.240)	**0.042**
Corporate Policy Total	**0.670**	**0.100**	**0.770**	**-**	**(0.146)**	**-**	**(0.146)**	**0.624**	**(0.598)**	**0.027**
Legal Services										
Legal Services	1.970	(0.036)	**1.934**	(0.350)	(0.104)	-	**(0.454)**	**1.480**	(1.483)	**(0.003)**
Legal Services Total	**1.970**	**(0.036)**	**1.934**	**(0.350)**	**(0.104)**	**-**	**(0.454)**	**1.480**	**(1.483)**	**(0.003)**
Democratic & Civic Office Services										
Democratic Services	0.335	0.151	**0.487**	-	(0.067)	-	**(0.067)**	**0.420**	(0.395)	**0.025**
Mayor's Office	0.147	0.029	**0.176**	-	(0.020)	-	**(0.020)**	**0.156**	(0.163)	**(0.007)**
Members Allowances & Training	0.958	0.057	**1.014**	-	-	-	**-**	**1.014**	(1.014)	**-**
Political Administration Support	0.140	0.001	**0.140**	-	-	-	**-**	**0.140**	(0.151)	**(0.010)**
Democratic & Civic Office Services Total	**1.579**	**0.238**	**1.817**	**-**	**(0.087)**	**-**	**(0.087)**	**1.730**	**(1.723)**	**0.008**
Life Events										
Bereavement Services	1.024	1.127	**2.151**	(1.920)	-	-	**(1.920)**	**0.231**	0.571	**0.803**
Electoral Services	0.397	0.204	**0.600**	(0.005)	-	(0.059)	**(0.064)**	**0.536**	0.057	**0.593**
Land Charges	0.094	0.012	**0.106**	(0.565)	-	-	**(0.565)**	**(0.459)**	0.020	**(0.438)**

Strategy, Governance & Law 2020/21 Revenue Budget Breakdown										
Service Description	Employee Expenditure £m	Other Expenditure £m	Total Expenditure £m	Income From Fees, Charges & Rents £m	Other Income £m	Government Grants £m	Total Income £m	Total Budget Allocation £m	Capital Charges & Recharges £m	Net Expenditure / (Income) £m
Registrars	0.613	0.043	**0.656**	(0.892)	(0.001)	(0.004)	**(0.897)**	**(0.241)**	0.190	**(0.051)**
Life Events Total	**2.128**	**1.386**	**3.513**	**(3.381)**	**(0.001)**	**(0.063)**	**(3.445)**	**0.068**	**0.839**	**0.907**
Performance, Improvement & Programmes										
Performance	0.266	0.029	**0.295**	-	-	-	**-**	**0.295**	(0.280)	**0.015**
Programme Management	0.018	0.002	**0.020**	-	-	-	**-**	**0.020**	-	**0.020**
Standards & Complaints	0.304	0.008	**0.311**	-	-	-	**-**	**0.311**	(0.303)	**0.009**
Performance, Improvement & Programmes Total	**0.588**	**0.038**	**0.626**	**-**	**-**	**-**	**-**	**0.626**	**(0.583)**	**0.043**
Communications										
Communications	0.706	(0.091)	**0.615**	0.003	(0.019)	-	**(0.016)**	**0.599**	(0.554)	**0.046**
Communications Total	**0.706**	**(0.091)**	**0.615**	**0.003**	**(0.019)**	**-**	**(0.016)**	**0.599**	**(0.554)**	**0.046**
Strategy, Governance & Law Total	**7.640**	**1.635**	**9.275**	**(3.728)**	**(0.357)**	**(0.063)**	**(4.148)**	**5.127**	**(4.101)**	**1.026**

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Strategy, Governance & Law Directorate Budget Plan		
Section	Summary of Budget Proposals, Strategy and Risks	Savings 2020/21 £m
Corporate Policy		
Policy, Partnership & Scrutiny including Leadership Support	Savings over the period can be achieved by forgoing the small initiatives budget we hold - Risk - Initiatives and activities which are paid by PPS on behalf of organisations will stop - can include City Tracker, 2030 events, Community Wealth building, Citizens assembly etc.	0.027
Corporate Policy Total		**0.027**
Legal Services		
Legal Services	Reduction in 2.4 posts across Legal Services Commercial and Litigation Teams. This will reduce the support available in these areas to the Council and may impact on the ability of the service to manage complex matters in house and the speed of delivery of advice. Of the 2.4 FTE reduction, 0.8 FTE will be managed through implementation of new systems and shared resilience with other authority partners.	0.103
Legal Services Total		**0.103**
Democratic & Civic Office Services		
Democratic Services	From a review, a revised structure to reduce the overall number of posts down to 7.8 FTE. This will impact on the level of support to the committee process and require a change in working processes to	0.047

Strategy, Governance & Law Directorate Budget Plan		
Section	**Summary of Budget Proposals, Strategy and Risks**	**Savings 2020/21 £m**
	ensure that all meetings can be effectively managed and statutory deadlines maintained. There will be a need for the use of electronic agendas to be fully embraced by elected Members and the adoption of the i-casework system for councillors' casework. See EIA 10 and Staffing EIA S5.	
Civic Office	A reduction in working hours to enable phased retirement will enable the savings target to be met; but will impact on the level of support available to the Civic Office and the Mayor. See EIA 10 and Staffing EIA S5.	0.012
Democratic & Civic Office Services Total		**0.059**
Life Events		
Bereavement Services	A review of fees and charges across Bereavement Services, proposing increases in some charges, freezes to some charges where we believe there will be a business risk if the fee for the service went up, and accepting general inflationary increases as part of the corporate policy, on other charges. This modest savings figure needs to be looked at in the context of pressures funding for Life Events and 2% inflation increase on all income targets. All decisions will be based on maximising income for the LA, whilst maintaining the our excellent customer service standards.	0.008
Life Events Total		**0.008**
Performance, Improvement & Programmes		
Customer Experience and Customer Feedback, Corporate Performance, Risk Management and Corporate Governance	Following a review, a reduction of 1 post within Corporate Performance Team. This will significantly reduce the support for the organisation in terms of performance management (unable to support DMT Key Performance Indicators, service planning and much reduced personalised support for directorates). In addition, reduction in non-staffing costs. See Staffing EIA S6.	0.049
Performance, Improvement & Programmes Total		**0.049**
Communications		
Communications	To meet this budget saving the service will undergo a service redesign in order to reduce the overall establishment. The redesign will aim to improve service agility, management spans of control and provide better career progression for staff. Staff and Trade Unions will be fully consulted in the New Year	0.044
Communications Total		**0.044**
Strategy, Governance & Law Total		**0.290**

Strategy, Governance & Law Capital Investment Programme 2020/21 to 2024/25					
	Profiled Payments 2020/21 £m	Profiled Payments 2021/22 £m	Profiled Payments 2022/23 £m	Profiled Payments 2023/24 £m	Profiled Payments 2024/25 £m
Approved Schemes					
None	-	-	-	-	-
New Schemes to be Approved					
None	-	-	-	-	-
Strategy, Governance & Law	**-**	**-**	**-**	**-**	**-**

Summary of Reserves & Provisions

Reserves & Provisions			
Description	**Estimated Balance as at 01/04/20 £m**	**Planned Use 2020/21 £m**	**Estimated Balance as at 31/03/21 £m**
General Fund Reserves			
General Fund Working Balance/General Reserves	9.000	-	9.000
Capital Receipts Reserve	12.304	(12.304)	-
Library PFI Reserve	0.818	(0.001)	0.817
Waste PFI Project Reserve	5.721	0.980	6.701
Finance Costs Reserve	0.120	(0.120)	-
Section 106 Receipts (Revenue)	0.490	(0.163)	0.327
Section 106 Interest	0.559	0.208	0.767
Developer Contributions Unapplied (S106 Capital)	0.648	(0.216)	0.432
Brighton Centre Redevelopment Reserve	2.495	(0.350)	2.145
Customer Access & Accommodation Strategies & The Link Network Upgrade Reserve	0.109	(0.060)	0.049
Concessionary Bus Passes	0.074	(0.074)	-
One Planet Living Implementation	0.014	(0.014)	-
ICT Investment Reserve	0.172	(0.072)	0.100
Environmental Enforcement Reserve	0.070	(0.020)	0.050
Winter Maintenance	0.651	(0.150)	0.501
Outdoor Events	0.076	0.012	0.088
Dome Planned Maintenance	0.427	-	0.427
Hove Park 3G Pitch Renewal	0.015	-	0.015
Surface Water Management Reserve	0.862	(0.300)	0.562
BikeShare Scheme Reinvestment Reserve	0.128	(0.048)	0.080
Community Equipment Reserve	0.021	(0.021)	-
Welfare and Local Government Funding Reform Reserve (Renamed)	0.029	-	0.029
Sports Facilities Reserve	0.227	(0.227)	-
Licensing - other reserve	0.078	(0.016)	0.062
Taxi Licensing	0.081	(0.010)	0.071
East Brighton Parking Surplus	0.009	(0.009)	-
Preston Park Parking Surplus	0.098	(0.035)	0.063
Road Works Permit Scheme	0.033	-	0.033

Reserves & Provisions			
Description	**Estimated Balance as at 01/04/20 £m**	**Planned Use 2020/21 £m**	**Estimated Balance as at 31/03/21 £m**
i360 Reserve	4.989	-	4.989
HMO Licensing Fees Reserve	0.352	(0.050)	0.302
HMO Additional Licensing Fees	0.398	(0.150)	0.248
Phoenix House Sinking Fund	0.060	-	0.060
Damage Deposit Guarantee Scheme	0.298	-	0.298
Cemeteries Maintenance Reserve	0.054	(0.015)	0.039
PRS Rent Deposit Scheme	0.041	(0.001)	0.040
Travellers Site Capital Reserve	0.054	(0.035)	0.019
Seaside Homes Reserve	0.055	-	0.055
City Deal New England House Dev Reserve	4.900	(0.500)	4.400
Investment Properties (Dilapidations)	0.245	(0.245)	-
Restructure Redundancy Reserve	0.100	-	0.100
Insurance Reserve General	5.196	-	5.196
Total General Fund Reserves	**52.071**	**(14.006)**	**38.065**
HRA Reserves			
HRA Working Balance	5.860	0.388	6.248
EDB Reserves	0.142	(0.107)	0.035
Renewable Energy Reserve	0.144	(0.050)	0.094
Rent Support Reserve	0.800	(0.800)	-
Restructure Redundancy Reserve	0.388	(0.388)	-
Total HRA Reserves	**7.334**	**(0.957)**	**6.377**
Schools / DSG Reserves			
Schools PFI Project Reserve	1.128	(0.100)	1.028
Schools LMS Balances	3.000	-	3.000
Portslade Adult Learning	0.020	-	0.020
Total Schools / DSG Reserves	**4.148**	**(0.100)**	**4.048**
TOTAL RESERVES	**63.553**	**(15.063)**	**48.490**
General Fund Provisions			
Hostel Accommodation Dilapidations	0.023	(0.023)	-
Voluntary Severance Provision	0.475	-	0.475
Total General Fund Provisions	**0.498**	**(0.023)**	**0.475**
TOTAL ALL FUNDS	**64.051**	**(15.086)**	**48.965**

Medium Term Financial Strategy 2020/21 to 2024/25

The 2020/21 budget includes £9.059m of savings to deliver a balanced budget. The Budget Gaps for future years can only ever be a best estimate as resources, demands or budget forecast trends can change significantly with time.

Resource Assumptions:

The government announced a one year Spending Review for 2020/21 only and therefore details of national funding allocations for future years will not be announced until later this calendar year when a longer term spending review is expected. The government's Fair Funding Review and potential move to 75% retained Business Rates was planned for introduction in 2020/21 but has been deferred and is expected to be implemented from 2021/22. In addition, there is the potential for a reset of locally retained business rates which could result in up to £7.0m loss of resources although any reset is expected to release resources nationally that could be returned to local government through other grant allocations or the Fair Funding review. These changes will amend the future years' projections but as yet there is no certainty or reasonable estimate that can be provided for the impact they might have, which could be negative or positive. The MTFS therefore makes no assumptions at this stage but will be updated when the government confirms the financial impacts of local government funding changes.

Revenue Support Grant (RSG) is assumed to be maintained at the 2020/21 level although it is expected to be rolled into the 75% retained Business Rates. If this funding source were to end, then the budget gap would increase by £6.630m from 2021/22.

The improved Better Care Fund (iBCF) and Adults and Children's social care grants shown in table 2 of the main report are assumed to continue at the 2020/21 level of £15.996m. Given the high profile of social care pressures nationally, the assumption is made that the 2020 Comprehensive Spending Review will continue this level of funding in some shape or form.

Inflation and Other Cost Estimates:

A pay award for 2020/21 has yet to be agreed and a provision of 2.3% is included in this budget with pay assumptions for future years ranging from 2.2% to 2.0%. The budget projections assume the council continues with the Living Wage Foundation's minimum wage.

The triennial review of the East Sussex Pension Scheme for the period 2020/21 to 2022/23 was completed in December 2019. The existing contribution rate is a blend of a fixed contribution percentage and a lump sum payment equivalent to 21%. The latest review amends this to a simple fixed rate contribution of 20.8% in 2020/21 and reduces by 0.5% for each of the following years.

There is provision for general price inflation ranges between 0% and 2% depending on the type of budgeted expenditure with the exception of the Waste PFI where a prudent 3.5% increase has been assumed until 2022/23. Increases in costs above assumed inflation levels will be managed through services' budget strategies unless the increase is significant and is identified as a corporate budget pressure.

The New Homes Bonus (NHB) scheme is expected to be revised or replaced and is likely to include harder targets to achieve. The planning assumption is the legacy payments relating to awards over the last 3 years will continue until they expire. No new funding through this route is assumed.

Investments to support corporate plan commitments and service pressures
Investments to support the Corporate Plan, growth in demand and increases in costs across Children's and Adults Social Care services and Housing along with financial pressures in other services including City Environmental Management mean that investment of £15.045m is required to invest in and protect priority services in 2020/21.

Investment levels in services from 2021/22 have been included for the key projected demographic and cost increases or income reductions but these will be kept under review. These projections include £1.0m pa from 2021/22 to support strategic priorities included within the Corporate Plan.

Predicted Budget Gaps (Savings Requirements):
In 2021/22, the budget gap is estimated at £9.300m but this would increase to £22.930m if RSG and the locally retained business rates are reset without replacement funding.
The early indication therefore is that Budget Gaps (i.e. further savings requirements) totalling £30.800m are predicted over the MTFS period 2021/22 to 2024/25.

MEDIUM TERM FINANCIAL STRATEGY TABLES

Core Planning Assumptions
The table below sets out the core planning assumptions included in the MTFS projections:-

Summary of MTFS Assumptions					
	2020/21	**2021/22**	**2022/23**	**2023/24**	**2024/25**
Pay inflation and pay related matters:					
- Provision for pay award	2.30%	2.20%	2.20%	2.00%	2.00%
- Employers pension contribution rate change	-0.20%	-0.50%	-0.50%	0.00%	0.00%
General inflation:					
- Inflation on non pay expenditure	1.0% - 2.0%	1.0% - 2.0%	1.0% - 2.0%	1.0% - 2.0%	1.0% - 2.0%
- Inflation on waste PFI	3.50%	3.50%	3.50%	2.00%	2.00%
- Inflation on income	2.00%	2.00%	2.00%	2.00%	2.00%
- Inflation on parking income	2.00%	2.00%	2.00%	2.00%	2.00%
- Inflation on penalty charge notices	0.00%	0.00%	0.00%	0.00%	0.00%
Resources:					
Change in Settlement Funding Assessment	1.63%	0.00%	0.00%	0.00%	0.00%
Change to Revenue Support Grant (RSG)	1.63%	0.00%	0.00%	0.00%	0.00%
Business rates poundage inflation uplift	2.00%	2.00%	2.00%	2.00%	2.00%
Assumed council tax threshold increase	1.99%	1.99%	1.99%	1.99%	1.99%
Adult Social Care Precept	2.00%	0.00%	0.00%	0.00%	0.00%
Council Tax Base	0.76%	0.75%	0.75%	0.75%	0.75%

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					
	2020/21	2021/22	2022/23	2023/24	2024/25
	£m	£m	£m	£m	£m
Sub-total Net Budget Requirement B/Fwd	**206.144**	**215.606**	**220.258**	**225.867**	**231.616**
Pay and Inflation	5.579	5.696	5.775	5.890	6.058
Change in employer pension contributions	(0.255)	(0.490)	(0.500)	-	-
Increased Social care funding through grants	(4.715)	-	-	-	-
Commitments - impact of previous decisions	2.851	0.256	1.025	0.009	-
Change in S31 Business Rates compensation grants	(0.390)	(0.190)	(0.193)	(0.197)	(0.200)
Change in New Homes Bonus	1.146	0.627	0.027	0.287	0.031
New investment, demographic and cost service pressures in Adult Social Care and Adults Learning Disabilities	7.080	4.000	4.000	4.000	4.000
Demographic and cost service pressures for Looked After Children and Care Leavers	1.045	0.750	0.750	0.750	0.750
New Investment in modernisation and IT & D	0.500	0.500	0.500	0.500	0.500
New investment in Environment and Sustainability	1.505	-	-	-	-
New investment in Housing, temporary accommodation and Housing Welfare	1.160	-	-	-	-
New investment, Demographic and cost service pressures for all other services	1.677	0.600	0.500	0.500	0.500
New Investment in corporate priorities	-	1.000	1.000	1.000	1.000
Home to School Transport	-	0.750	-	-	-
Land Charges income pressure	-	0.500	-	-	-
Service pressures - specific grants	0.932	0.140	0.125	0.110	0.095
Savings in budget plans	(9.059)	-	-	-	-
Change in contribution to/from reserves	0.406	(0.187)	-	-	-
Budget Gap (Savings Requirement)	-	(9.300)	(7.400)	(7.100)	(7.000)
Budget Requirement C/Fwd	**215.606**	**220.258**	**225.867**	**231.616**	**237.350**
Funded by:					
Revenue Support Grant	6.630	6.630	6.630	6.630	6.630
Locally retained Business Rates	57.638	58.936	60.269	61.632	62.865
Business Rates Collection Fund Surplus	2.137	-	-	-	-
Council Tax Collection Fund Deficit	(1.346)	-	-	-	-
Council Tax - Adult Social Care Precept	2.894	-	-	-	-
Council Tax - General increase	147.653	154.692	158.968	163.354	167.855
Total Funding	**215.606**	**220.258**	**225.867**	**231.616**	**237.350**

Glossary of Terms

Budget Allocation - This is the financial limit for each service unit's budget excluding charges for support services and capital financing.

Budget Requirement - Total expenditure (after deduction of income) that the Council can finance from Revenue Support Grant, Business Rates and Council Tax.

Business Rates - Business rates are taxes to help pay for local services. They're charged on most non-domestic properties including shops, pubs, offices and factories.

Business Rates Local Share - The council is responsible for collecting business rates income in Brighton and Hove. Under the Business Rates Retention Scheme, the council is allowed to retain 49% of the business rates income it collects. Of the remainder 50% is paid over to central government and 1% to East Sussex Fire Authority.

Business Rates Tariff Payment - A payment to Government to reflect the level of business rates retained locally that is above the baseline funding level calculated by a Government funding formula.

Capital Charges & Recharges - Includes depreciation (cost of fixed assets consumed during the year) and support services charges in respect of administrative and professional services and office accommodation charged to a particular service. These charges are outside of a service unit's budget allocation.

Capital Investment Programme - Spending which produces an asset, enhances or improves an asset, or extends the useful life of an asset e.g. the cost of building a school or purchasing a vehicle.

Capital Receipts - Income received from the sale of capital assets.

Contingency - The council's contingency budget includes provision for costs which are likely to occur but for which the estimated cost cannot be adequately foreseen at the time of setting the budget.

Council Tax - The main source of local taxation to local authorities and is levied on households within its area by the billing authority.

Council Tax Base - Represents the amount that would be raised by setting a £1 council tax on a Band D property. The budget to be funded by council tax is divided by the tax base to determine the amount of council tax to be levied. Band D is a property valuation band commonly used to specify the average council tax.

Council Tax Reduction Scheme - The Council Tax Reduction scheme is a local scheme that replaced the national Council Tax Benefit on the 1st April 2013. Council Tax Reduction is support for those on low incomes with the cost of their Council Tax. If Council Tax payers are eligible for support their council tax bills are reduced.

Dedicated Schools Grant (DSG) - The Dedicated Schools Grant is payable to local authorities by the Department for Education. It is a ring fenced specific grant and must be used in support of the Schools Budget as defined in the School Finance (England) Regulations 2008. It can be used for no other purpose.

Direct Revenue Funding -Resources provided from the revenue budget to finance the cost of capital projects.

Financing Costs - Capital expenditure is financed by loans, Government grants, external contributions, direct revenue funding, and capital receipts. The revenue budget bears the cost of direct revenue funding, together with interest and the provision for repayments of these loans.

General Fund - This is the main revenue fund of the council. The day-to-day transactions are conducted through this fund, other than sums to be paid into the Collection Fund or a trust fund.

Government Grants - Contributions by central Government towards either the revenue or capital cost of services.

Housing Revenue Account (HRA) - The Local Government and Housing Act 1989 requires each local housing authority to keep a Housing Revenue Account within its General Fund to account for income and expenditure on council houses and flats.

Levies - Other public bodies may levy the council by making a demand on the council tax requirement. The two organisations that levy the city council are the Environment Agency and Sussex Inshore Fisheries and & Conservation Area.

Medium Term Financial Strategy (MTFS) - This is the Councils financial projections and spending plans for future years for both the capital and revenue budget. The current MTFS provides financial projections to 2023/24.

New Homes Bonus - A government grant which is aimed at encouraging local authorities to increase the number of homes in their area.

Reserves & Provisions - Reserves are set aside to finance future expenditure for purposes falling outside the definition of provisions. Provisions are made for liabilities of uncertain timing or amount.

Revenue Expenditure - The day to day spending on running and providing services e.g. salaries and wages or the running costs of a building such as heating and lighting.

Revenue Support Grant - A general government grant to support the General Fund expenditure.

Ringfenced - This term is used for the Government controls to prevent discretionary transfers between the Housing Revenue Account and other accounts of the General Fund. It is also used to refer to grants which are awarded to the council on the condition that they are spent on a particular area or project.

S75 - Agreements, regarding the pooling of resources, made under Section 75 of the Health Act 2006 between the City Council and National Health Service partners. The City Council has in place a Section 75 agreement for the provision of adult social care services.

Third Sector - A collective term for charities, voluntary and community organisations, and social enterprises.

Transfer Payments - Payments made to individuals for which no service or goods are exchanged – examples include housing benefit payments or carers' allowances.

Value for Money (VFM) - A council-wide programme for ensuring our services can demonstrate economy, efficiency and effectiveness in the provision of services, particularly when compared with similar providers or authorities.

Capital Strategy 2020/21 to 2024/25

1. Background

1.1. CIPFA's Prudential Code for Capital Finance in Local Authorities and MHCLG's Investment Guidance were both revised in 2017/18, requiring all local authorities to prepare an additional report, a capital strategy report, which should demonstrate that the authority:

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

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

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

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

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

1.6. Additionally, when funding capital expenditure through borrowing, the council is required to set aside a sum from revenue each year to repay the debt, known as the Minimum Revenue Provision (MRP). The policy for making the annual MRP should be prepared in line with the MRP guidance published by MHCLG. The council's MRP policy for 2020/21 is consistent with the guidance and included in Appendix 3 (section 3) for approval.

2. Governance & Risk Frameworks

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

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

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

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

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

Management of Risk

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

the resources available for delivering key services against the benefits accruing from the investment.

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

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

(ii) using a "three lines of defence" model to map out how we gain assurance over our activities, processes and risks. This is reported as the Corporate Risk Assurance Framework (CRAF) appendix with the Annual Governance Statement 2019/20. An example is given below on using the three lines of defence to structure and categorise assurances for procurement.

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

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

As part of this item the Committee also focus on at least two, but normally four or five, Strategic Risks where Risk Owners (officer members of the ELT) attend to answer Members' questions on whether the right type of assurance activity is being targeted at the right area or risks and whether this is efficient. From 2020 The Strategic Risk Register will be annually reported in full to the Policy & Resources Committee alongside the corporate Performance Report (first date will be 17 June 2020).

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

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

3. Capital Strategy

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

- seek to protect as far as possible capital grant funding for education, housing transport and the public realm investment;
- pool all remaining non ring-fenced capital resources and allocate these to priority areas for investment;
- allocate approximately £0.250m per annum to 'major projects' investment through a Strategic Investment Fund. These projects support the economy through regeneration of key sites which can often lever in housing development;
- allocate £0.500m per annum towards the Information Technology & Digital Fund to address the funding of central network support and improvements to the IT&D infrastructure identified in the IT&D Investment Strategy;
- allocate £1.000m per annum to the Asset Management Fund to support essential property improvements, minimise backlog maintenance, improve sustainability and energy efficiency of buildings where possible, and reduce longer term maintenance costs;
- similarly, allocate £1.000m per annum through borrowing to support investment in planned maintenance in Operational and 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:
    - for reinvestment in the capital investment programme, or;
    - for modernisation of council services including using the government's 'capital receipt flexibilities' that allows revenue costs to be capitalised and funded from capital receipts where this generates efficiencies, or;
    - for repayment of debt or for investment, for example, to offset any loss of rental income in the revenue budget, or;
    - for reinvestment from under-performing assets back into more commercially viable assets as part of the rationalisation of the commercial 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. The Right to Buy Regulations mean that the maximum that the council can currently retain for corporate investment is £0.500m 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;
  - purchase of vehicles and plant where an options appraisal demonstrates borrowing provides the best value for money and the financing costs are reflected in the revenue budget;
  - investment to support Corporate Plan priorities where the financial impact of any decision is treated as a commitment in future years' budgets and is affordable;
  - restructuring the funding of the approved capital programme when this provides a more efficient use of capital and revenue resources.
- explore all funding options including partnerships and one-off bidding processes. The council can bid for capital investment through funding streams such as the Heritage Lottery Fund, Arts Council and the Coast to Capital Local Enterprise Partnership (C2C LEP). Other Government initiatives that may be considered include the Highways Maintenance Challenge Fund and the Housing Infrastructure Fund. The council can use its land to facilitate private sector or partnership based investments.

3.2. The financial resources used to fund the 2020/21 capital expenditure programme of £163.169m are included at Annex A and the 5 year capital projections are incorporated in the Budget Book at Appendix 1.

Housing Revenue Account (HRA)

3.3. The HRA Capital Strategy focuses on meeting Corporate Plan and Housing Strategy priorities. The strategy aims to ensure that every pound invested reaches beyond the housing service and contributes to regeneration, tackling inequality, creating training and employment opportunities and improving sustainability. Two of the main priorities for the HRA are improving housing supply and investing in homes and neighbourhoods to provide safe and good quality housing.

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

3.5. Since 2012 the HRA has operated on 'self-financing' principles and the capital programme is funded from a variety of HRA sources including revenue surpluses (rental incomes), borrowing, capital receipts, reserves and other grants. These resources are part of the HRA ring-fenced account to be spent on council owned stock. Further detail on the priorities and proposed investments can be found in the 'HRA Budget and Capital Investment Programme 2020/21 and Medium Term Financial Strategy' report.

4. Capital Investment Plans 2020/21 to 2024/25

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

4.2. The capital investment plans for 2020/21 to 2024/25 are included within the Budget Book at Appendix 1 and a summary of the investment plans is provided in section 6 of the main report.

5. Approach to Commercial Investments

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

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

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

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

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

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

6. Investment Property Portfolio

6.1. The council has a portfolio of commercial property assets valued at £279.9m generating an annual income of £11.3m which is therefore an important income source supporting council services. These figures are based upon the value as at December 2018. The council maintains a Corporate Property Strategy and Asset Management Plan which links the council's property holdings to its corporate priorities and strategic goals. The key aims outlined in these documents are to maximise income whilst supporting improved service delivery. Its corporate property objectives include "*to optimise the value received from non-operational urban and agricultural commercial portfolios*". One of the strategies to achieve this objective is the re-balance of the urban portfolio through a programme of disposals for under-performing assets and investment in primary assets generating a healthy income to support service delivery.

6.2. The council's urban commercial portfolio has performed well in recent years, with low levels of voids, arrears and bad debt. However, the strong performance of the portfolio belies the inherent risks within it, which include:

- An unbalanced portfolio with an over-reliance on one market sector;
- An over-reliance on retail, which is experiencing significant change and a downturn in performance due to external factors;
- A high level of tertiary properties with low covenant tenants who are at higher risk of failure;
- An older and aging portfolio with high levels of obsolescence and repair requirements as well as investment needs to meet statutory compliance;
- A high level of secondary and tertiary properties with limited prospect of rental growth.

6.3. There would be an inevitable increase in voids and bad debt, low income growth and even a potential decline in income in some areas as well as an increased capital investment requirement from the council if the portfolio were not rebalanced.

6.4. The table below shows the current composition of the commercial property portfolio according to both property value and income. The table demonstrates that the retail sector (including Primary, Secondary, Tertiary and Neighbourhood Shops) comprises over 46% of the income stream from commercial property.

Portfolio		Income £'000	Income as a % of total income	Property Value £'000	Value as % of total Value	Average Yield of portfolio
Agricultural	All	820	7.52%	52,528	26.01%	1.56%
Seafront	Commercial property & concessions	1,757	16.10%	21,930	10.86%	9.04%
	Beach chalets	87	0.80%			
	Beach huts	138	1.26%			
Commercial property managed by GVA	Prime Shops	2,635	24.15%	42,793	21.19%	6.16%
	Secondary Shops	1,552	14.23%	24,896	12.33%	6.24%
	Tertiary Shops	624	5.72%	7,531	3.73%	8.29%
	Neighbourhood Shops	268	2.45%	3,933	1.95%	6.81%
	Offices	757	6.93%	12,471	6.17%	6.07%
	Industrial	730	6.69%	13,822	6.84%	5.28%
	Leisure	321	2.94%	9,350	4.63%	3.43%
	Miscellaneous	188	1.73%	2,583	1.28%	7.29%
	Mixed Use (St James Mansions)	44	0.40%	943	0.47%	4.63%
	Residential	18	0.16%	563	0.28%	3.12%
	New England House	942	8.63%	8,253	4.09%	11.41%
	Car Parking/Garages	31	0.28%	392	0.19%	7.81%
Total		**10,912**	**100%**	**201,988**	**100%**	**5.40%**

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

value of the "in-house" part of the portfolio is £77.9m, providing £0.4m of rental income. The values are based upon figures as at December 2018.

6.5. The council's Corporate Property Strategy and Asset Management Plan is being reviewed and redrafted for presentation to Members for consideration and ratification. In addition, it is proposed that an Investment Strategy be presented to Members recommending the adoption of a more detailed strategy and a framework within which the non-operational urban commercial portfolio can be rebalanced. The rebalancing of the portfolio will ensure a more secure income stream, improved prospects for rental growth and reduced risk of capital expenditure by the council.

6.6. In advance of the adoption of an Investment Strategy, opportunities for asset purchases and disposals which seek to compliment the portfolio and mitigate risk are identified on a case-by-case basis. The council holds contracts with Avison Young to manage its urban portfolio and Savills to manage its agricultural portfolio. A key provision within these contracts is for the providers to work with the in-house property team to identify appropriate assets for purchase and disposal.

6.7. Any opportunities explored that result in an expected asset disposal or purchase are presented and approved by Policy & Resources Committee in accordance with the council's Scheme of Delegation, and executed in accordance with the council's Financial Regulations.

7. Loans to External Bodies

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

Governance

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

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

Decision making & procedure

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

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

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

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

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

Current portfolio

7.8. The council has the following loans to external bodies outstanding as at 31 December 2019:

Organisation	Loan Value at 31 Dec 2019	Purpose of loan & link to council priorities / service objectives	Meeting at which loan approved
The i360 Company	£38,196,000	To build the i360 observation tower, unlocking economic regeneration on the seafront and increasing business rate income.	(1) Special Policy & Resources Committee, 6 March 2014. (2) Special PR&G Committee, 28 June 2018. (3) PR&G Committee, 6 December 2018.
East Sussex Credit Union	£250,000	To increase the reserves base for the organisation to increase affordable lending to local people and businesses, and to increase the provision of crisis loans to Brighton and Hove residents.	PR&G Committee, 21 January 2016 and then extended to 2026 by PR&G Committee on 11 October 2018.
Housing Joint Venture	£1,471,000	Joint venture partnership with Hyde Housing Association for the delivery of 1000 affordable homes within the City	PR&G Committee, 12 October 2017
Saltdean Lido	£220,000	To support the bid for Heritage Lottery Funding for the renovation of the Saltdean Lido (a listed asset owned by the council).	PR&G Committee, 30 November 2017.

7.9. The loan to the i360 company represents substantial risk as reported to Policy & Resources committee in December 2019. The current performance of the i360 is insufficient to make full loan repayments in accordance with the agreement. The committee agreed to restructure the loan to provide the best financial outcome to the City Council.

7.10. The Saltdean Lido CIC has successfully secured a bid for Heritage Lottery Fund (HLF) grant for the restoration of the building. The terms of the HLF funding requires Saltdean Lido to secure match funding for the grant to be agreed and released.

8. Financial and other Guarantees

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

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

  The council has provided a rent guarantee to underwrite the rental income where Local Housing Allowance rates do not keep pace with inflation. The amount provided to 31 March 2019 under this rent guarantee was £1.9m. The contract stipulates that the rent guarantee will be returned to the council when BHSCH achieves a level of surpluses as defined by the contract and business plan. £0.5m has been received to reduce this debt down to £1.4m.

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

  Grant funding bids for the scheme included a target for fundraising to match-fund any grant received. To allow the scheme to progress, the council has underwritten the fundraising target which has allowed the release of grant. The total fundraising target was originally £5.5m. At its meeting in December 2018, the former Policy Resources & Growth committee agreed to earmark £3.0m and an additional £5.0m was approved at October 2019 Policy & Resources Committee. Both of these sums were identified to cover this risk, contingency and cost over-runs on the project.

9. Other schemes

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

The King Alfred development project has not been included as the council's investment is to secure a replacement leisure centre, owned by the council. This is part of the council's core services.

Housing Joint Venture

9.1. The council has entered into a living wage joint venture with Hyde Housing Association for the delivery of 1000 affordable homes for the city. The business plan and legal arrangements were agreed by the former Policy, Resources & Growth committee at its meeting of 12 October 2017 and included a projected investment by the council of £59.7m, net of receipts from shared ownership sales.

9.2. Each tranche of development under the joint venture is required to undergo a due diligence procedure which includes an individual viability test provided by suitably qualified consultants, and scrutiny by an independent project monitor who reports to the joint venture board on the financial robustness and deliverability of each proposal.

9.3. The risks inherent within the joint venture are cost overruns, rent levels below expectations and the value and number of shared ownership homes being lower than expected. These risks are all considered within the due diligence process.

New England House refurbishment & redevelopment

9.4. The council has ambitious plans to increase the amount of business space and refurbish New England House, an asset wholly owned by the council within the commercial property portfolio. The primary purpose of the project is to protect and grow business space in the city centre.

9.5. The project has secured grant funding of £4.9m and a capital receipt of £6.25m through the sale of an adjacent site. These resources will need to be supplemented to cover the full cost of development and it is anticipated that increased rental income will support this. The proposal is currently under development, and a business plan will be presented to Policy & Resources Committee in due course. This report will include the risks and benefits of the project.

Brighton Waterfront project

9.6. The council is in partnership with Aberdeen Standard Investments (ASI) to deliver a replacement Brighton Centre arena and regeneration and expansion of the Churchill Square shopping centre. The high level business plan relies on increased revenue from business rates and lease payments from a venue operator to cover the financing costs of the capital investment in the new arena.

10. Proportionality & Summary of Risk Exposure

10.1. Often, commercial/non-treasury investments are entered into on a case-by-case basis approved individually. The Capital Strategy provides an opportunity to demonstrate the totality and proportionality of the council's non-financial investments in one place. The table below shows the annual elements that represent financial risk from current non-financial investments as a proportion of the General Fund's net revenue budget.

Commercial/Non-Treasury Investments	£m	% of General Fund
PWLB repayment amount relating to the i360	£1.844m	0.86%
Income from commercial properties	£11.304m	5.24%
Total financial risk	**£13.148m**	**6.10%**
Net Revenue Budget	***£215.606m***	***100%***

10.2. The council's underlying need to borrow is portrayed by its Capital Financing Requirement (CFR). The CFR increases each year by capital expenditure that is not funded by new or existing resources (i.e. results in borrowing). The CFR reduces each year by the MRP set aside to repay borrowing as described in paragraph 1.6.

10.3. Any commercial investments funded by borrowing will increase the council's CFR. The table below demonstrates the proportion of the General Fund CFR (excluding PFI liabilities) outstanding at 31 March 19 (and forecast to be outstanding at 31 March 2020) that relates to commercial investments. That is, this represents the outstanding debt relating to the council's commercial activity where MRP has not yet been applied.

	As at 31/03/19	Forecast to 31/03/20
General Assets CFR	79%	77%
i360	19%	17%
Phoenix House	2%	2%
Lyndean House	0%	3%
Housing Joint Venture	0%	1%
Total General Fund CFR	**100%**	**100%**

11. Knowledge & Skills

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

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

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

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

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

12. S151 Officer Assurance Statement

12.1. This Capital Strategy is compiled in line with the requirements of the 2018 CIPFA Prudential Code and the 2018 Treasury Management Code.

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

List of Annexes:

Annex A – Capital Resources 2020/21

Appendix 2

Annex B - List of current non-treasury investments

Annex C - List of planned non-treasury investments

Capital Resources 2020/21

A fully financed Capital Investment Programme is proposed for 2020/21 assuming that existing approved capital projects spend in-line with approved budgets and certain net usable receipts of £7.3m in total are achieved. Table 1 below shows how the programme can be financed in 2020/21. The position for the years 2021/22 onward is less certain until future Government allocations are confirmed. All Government support is allocated through capital grants and all grants are unringfenced with the exception of Devolved Schools Capital Grant which must be allocated to schools.

TABLE 1: Capital Resources	**2020/21 £ million**
Capital Grants:	
- Capital grant announcements in previous years and profiled for spend in 2020/21	42.966
- New capital grants	15.625
Total Government Support	**58.591**
Capital Receipts Reserve	21.194
Capital Reserves	1.296
Specific Reserves	2.430
External Contributions	6.543
Direct Revenue Funding – Housing Revenue Account	19.806
Direct Revenue Funding – Service Departments	0.813
Council Borrowing	52.496
Total Capital Resources	**163.169**

Capital Grants

The Government distributes capital grants towards the financing of certain capital expenditure. In 2020/21, it is anticipated that the council will receive new capital grants of £15.625m as summarised in Table 2 below, and £42.966m from grants already announced where the spending of these grants is now profiled in 2020/21.

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

The new capital grants are in three main areas:

- Education Basic Need for new pupil places of £2.879m;
- Education funding of £4.800m (estimated and due to be announced) for investment in the maintenance of educational buildings and Children's Centres in the city;

- Transport funding of £5.169m (indicative allocation due to be confirmed) to include transport related schemes and highways maintenance.

TABLE 2: New Grants announced for 2020/21	**£ million**
Education Basic Need	2.879
Education Capital Maintenance *	4.800
Schools Devolved Capital *	0.508
Highways Maintenance Block Allocation (LTP) *	2.110
Integrated Transport Block Allocation (LTP) *	3.059
Pothole Action Fund *	0.189
Highways Maintenance Incentive Fund *	0.400
Better Care Funding *	1.500
Energy Grants for HRA	0.180
Total	**15.625**

** Funding to be confirmed by government*

Capital Receipts

The funding of the capital investment programme assumes estimated net capital receipts of £7.3m in 2020/21. This includes receipts associated with the disposal of surplus buildings for reinvestment into the Stanmer Regeneration Project, receipts associated with the Joint Venture, a lease re-gear at West Street and some surplus properties identified for disposal. These receipts are planned for investment in future years' capital programmes. Progress will be closely monitored throughout the year for all receipts and reported through the regular TBM budget monitoring reports. Failure to achieve some of these receipts will require the capital allocations for future years to be reviewed.

The net receipts from 'right to buy' sales are split between funding for strategic funds delivering regeneration including affordable housing opportunities, and investment directly in housing. The forecast receipts for Brighton & Hove City Council are set at an assumed level of £0.500m per annum. Any surplus above £0.500m will be set aside to reinvest in replacement homes.

Capital Reserves

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

Specific Reserves

Specific reserves will be used to support schemes directly related to the purpose of the reserve or to support corporate priorities. Specific reserves relate to the refurbishment and maintenance of properties managed by the Brighton and Hove Seaside Community

Homes with the costs being met in accordance with the housing agreement. A contribution from the New England House (NEH) Redevelopment Reserve will also support bringing forward the NEH Redevelopment project. The Brighton Centre Redevelopment Reserve will continue to support the plans for the Waterfront development. The Sports Development Reserve will contribute toward mechanical works at the Prince Regent. Finally the Earmarked Rent Reserve will support delivery of the HRA Capital Investment programme.

External Contributions

The council will receive new external contributions totalling £6.543m in 2020/21 associated with donations, partner and private contributions for the Royal Pavilion Estate, Stanmer Park redevelopment, the Environment Agency for flood defence and commuted sums associated with the Home Purchase Policy for the HRA.

Direct Revenue Funding

The General Fund and Housing Revenue Account budget proposals include direct revenue funding of £20.619m. A summary of the allocations by service is shown in the table below.

TABLE 3: Direct Revenue Funding 2020/21	**£ million**
Structural maintenance for schools	0.623
Property Services planned maintenance	0.110
Cityparks play area improvements	0.040
Prince Regent mechanical repairs	0.040
Total General Fund Services	**0.813**
Housing Revenue Account	19.806
Grand Total	**20.619**

Council Borrowing under the Prudential Code

Council borrowing under the Prudential Code can be undertaken only when it can be demonstrated that it is affordable, for example where the investment leads to greater efficiency in future service provision and generates revenue savings or reductions in budgeted spend. For 2020/21 it is proposed that the council will undertake borrowing of £52.496m to finance capital expenditure plans as detailed in table 4.

TABLE 4: Council Borrowing in 2020/21	**£ million**
Housing Revenue Account – 2020/21 new borrowing	12.135
Housing Revenue Account – 2019/20 reprofiled schemes	14.097
Housing Joint Venture	9.925
Replacement programme vehicles	1.500
Street lighting invest to save scheme	1.792
London Road car park	0.270

Planned maintenance for Corporate and Social Care buildings	1.000
Planned maintenance for corporate buildings 2019/20 reprofiled	0.320
Investment in Phoenix House	0.332
Solar panels for corporate buildings	0.500
Royal Pavilion Estate Regeneration	8.704
Library at Saltdean Lido	0.700
Brighton Research and Innovation Fibre Ring	0.283
Sustainability and Carbon Reduction Investment Fund (SCRIF)	0.500
IT&D Investment for desktop and laptop replacement programme	0.250
Borrowing to release capital receipts for investment in modernising service	0.188
Total for Capital Programme	**52.496**

The borrowings in the above table are briefly described below:

- As part of the HRA business plan, borrowing will be used to support the delivery of new council housing and estate regeneration and funding of £14.097m was profiled from 2019/20 for investment in new build, conversions and repairs at various sites with a further £12.135m planned in 2020/21. The financing costs have been identified to be met from the HRA capital financing revenue budget.
- The Joint Venture Housing Delivery proposal is for the council to contribute borrowing of up to £59.7m alongside investment from Hyde Housing for the delivery of 1,000 affordable homes. The estimated profile of borrowing in 2020/21 following some reprofiling this month is £9.925m with no net cost to the council and all costs being met through the Joint Venture business plan.
- A provision of £1.500m is for replacement of vehicles during the year. This includes replacement refuse collection and street cleansing vehicles for Cityclean and the potential replacement of miscellaneous waste and parks vehicles during the year if this proves to be the most cost-effective route for procurement. These assets may be currently provided through operational leases and paid for through the relevant service revenue budget.
- The Street Lighting invest-to-save proposal was presented to the former Policy, Resources & Growth Committee on 8 December 2016 and plans to use borrowing to implement the application of new energy efficient LED lighting technologies as well as the application of the latest British and European Road Lighting Standards and control systems. This will generate energy and carbon reduction savings. Net revenue savings from the street lighting and electricity budget will contribute to the cost of borrowing.
- London Road Car Park is suffering from major concrete defects that require urgent attention. The condition of the defects will have an effect on the running of the car park and may also lead to potential health and safety risks. The financing costs will be met from parking services budgets.
- Borrowing to support the Planned Maintenance Budget has been introduced to support the ongoing maintenance pressures for Social Care operational buildings, corporate and civic buildings. The revenue costs for the borrowing have been

addressed within the Medium Term Financial Strategy. The borrowing includes some reprofiled schemes from 2019/20.

- Phoenix House was purchased by the council last financial year and an additional borrowing requirement was identified for some maintenance works that have been identified to ensure the rental streams are maximised. The purchase price of Phoenix House was renegotiated downwards following a detailed survey of the building in recognition of investment requirements.
- Investment in solar panels for corporate buildings – there are a range of opportunities for solar panel installations that will generate revenue savings for the council and support Corporate Plan carbon neutral targets. The individual schemes will be based on business cases and approved via in-year TBM reports
- A variation of £5.0m borrowing to the Royal Pavilion Estate regeneration project was reported to Policy & Resources Committee in October 2019 to cover a combination of cost increases and to provide contingency for any potential fundraising shortfall. The additional repayment costs would be met from existing revenue budgets. Funding had already been identified from borrowing as part of the project costs and forms part of the total borrowing for the year.
- The contribution to the replacement library at Saltdean Lido was approved at Policy Resources & Growth Committee in February 2017 and has been reprofiled into 2020/21. The financing costs of this investment are reflected in the Medium Term Financial Strategy. There is a further £1.6m approved for the Saltdean Lido renovation project within the 2019/20 Capital Investment Programme, however, the timing of this expenditure is subject to a revised project programme.
- The Brighton Research and Innovation Fibre Ring will connect key public sites in the city with the Brighton Digital Exchange at New England House. Local Growth Funding from the Coast to Capital LEP has been secured and match funding is required from both the council and Wired Sussex partners. The borrowing costs are expected to be met from annual savings and potential income generation.
- The Sustainability and Carbon Reduction Investment Fund (SCRIF) provided funding to departments on a bidding basis for projects that met a number of council sustainability priorities. Bids for this funding are approved through the SCRIF Members Oversight Group. A further allocation of £0.5m is proposed for 2020/21 from borrowing with the financing costs being incorporated in the 2020/21 budget.
- Additional IT&D investment has been identified specifically for an annual desktop and laptop replacement programme. The financing costs of this investment are reflected in the Medium Term Financial Strategy.
- Borrowing to release capital receipts for investment in modernising services – revenue costs can be capitalised and funded through capital receipts where the costs are delivering efficiencies and potential future year savings. This is through the government approved capitalisation direction. A sum of £0.188m was identified last year to accommodate this and the financing costs of this investment is reflected in the Medium Term Financial Strategy.

ANNEX B

List of current non-treasury Investments

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

Investment Type	Scheme Name	Value
Investment Property Portfolio	Urban & Agriculture Property Portfolios	£279.897m*
Loan to external body	i360 Company	£38.196m
Loan to external body	Saltdean Lido	£0.220m
Loan to external body	East Sussex Credit Union	£0.250m
Financial Guarantee	Brighton & Hove Seaside Community Homes	£1.400m**
Financial Guarantee	Royal Pavilion Estate fundraising	£3.000m**
Housing Property Joint Venture	Brighton & Hove	£59.700m***

* Value as at 31 December 2018

** Estimated value of debtor at 31 March 2020

*** Estimated value of total expected investment

Appendix 2

ANNEX C

List of planned non-treasury Investments

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

Investment Type	Scheme Name	Value
Investment in commercial property portfolio	New England House refurbishment	£29.500m
Investment in replacement Brighton Centre	Waterfront Project	£132.700m

Appendix 3

TREASURY MANAGEMENT POLICY AND STRATEGY 2020/21

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1. INTRODUCTION

1.1 Background

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

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

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

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

CIPFA defines treasury management as:

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

1.2 Reporting Requirements

1.2.1 Capital Strategy

The CIPFA 2017 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, to provide the following:

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

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

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

1.2.2 Treasury Management reporting

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

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

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

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

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

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

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

1.3 Treasury Management Strategy for 2020/21

The strategy for 2020/21 covers two main areas:

Capital issues:

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

Treasury management issues:

- the current treasury position (section 1.5);

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

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

1.4 Treasury Management Policy Statement

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

i) This council defines its treasury management activities as:

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

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

iii) This council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

1.5 Current Treasury Portfolio Position

A summary of the council's borrowing & investment portfolios as at 31 December 2019 and forecast at the end of the financial year is shown in **Table 1** below:

Table 1	Actual at 31 December 2019			Forecast to 31 March 2020		
	£'000	% of portfolio	Average Rate	£'000	% of portfolio	Average Rate
Investments						
UK Banks	60,000	36%	1.10%	47,500	33%	1.07%
Non-UK Banks	9,500	6%	1.17%	7,000	5%	1.19%
Building Societies	0	0	0	0	0	0
Local Authorities	54,500	33%	0.96%	49,500	34%	1.02%
Money Market Funds	31,894	19%	0.72%	20,000	14%	0.72%
Aberdeen Ultra Short Dated Bond Fund	10,076	6%	0.99%*	10,000	7%	1.00%

Royal London Short Dated Credit Fund	0	0	0	2,500	2%	3.00%
Royal London Investment Grade Short Dated Bond Fund	0	0	0	7,500	5%	2.00%
Total Investments	**165,970**	**100%**	**0.98%**	**144,000**	**100%**	**1.09%**
Borrowing						
PWLB loans	218,520	83%	3.76%	233,940	84%	3.69%
Market loans	45,000	17%	4.45%	45,000	16%	4.45%
Local Authorities	0	0	0	0	0	0
Total external Borrowing	**263,520**	**100%**	**3.88%**	**278,940**	**100%**	**3.82%**

**Annual gross yield to 31 December 2019*

2. BORROWING STRATEGY

The capital expenditure plans of the council are set out in the Budget book (Appendix 1 to this report). 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.

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

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

The council operates a two-pool approach for borrowing following the HRA Self Financing regime introduced in March 2012.

On 9 October 2019, the government announced an unexpected increase the Public Works Loan Board (PWLB) interest rate for all new loans after 9:30am on the same date. The increase added 1% (100bps) to the cost of borrowing. Loans to local authorities through the PWLB are based on a margin above the gilt rates; during 2019 gilt rates have been at historically low levels meaning the cost of borrowing for councils has been very low. As a result, councils have been locking into these cheap rates and the government has seen a significant increase in borrowing leading to the concern that the total national PWLB debt would breach its self-imposed government limit. In response to this concern the government has:

- Increased the overall limit of PWLB debt from £85bn to £95bn;
- Increased the cost of borrowing by 1%.

The interest rates through the PWLB during 2019 have been much lower than the prudent assumptions used in evaluating council business cases for capital investment in projects such as the Housing Joint Venture or Madeira Terraces and therefore do not put these projects at risk although the step increase does mean there is less contingency/flexibility.

As a result of the government's announcement to increase rates, other market lenders are now more competitive and will potentially offer better rates than the PWLB, although it is expected market lenders are likely to price using PWLB rates as a reference. Therefore the cost of borrowing for the council will be more expensive than before the rate change from the PWLB. The council has already been contacted by market lenders with competitive lending offers.

2.1 General Fund Borrowing Position and Strategy

The General Fund has been carrying an internal borrowing position (i.e. where the General Fund borrows cash from its own reserves) since 2008 as a response to the financial crisis. In response to a combination of an expectation of increasing interest rate forecasts, the reduction of certain reserves and historically low PWLB borrowing rates, the General Fund has entered into planned borrowing of £27.5m from the PWLB to reduce the internal borrowing position over the last three years. The most recent occurrence of this borrowing was undertaken in August 2019, where a £7.5m loan was undertaken for a period of 50 years at a historical low rate of 1.67%. Additionally, £10m of PWLB borrowing was undertaken by the General Fund in March 2019 as part of a debt restructure to replace RBS loans.

Table 2 below demonstrates that the General Fund has a borrowing need of £24m to support the 2019/20 capital programme. No further external borrowing is expected for 2019/20. Any borrowing need will initially be met from internal resources and officers will be exploring external sources of borrowing for the borrowing requirement from 2020/21 onwards.

General Fund Borrowing Strategy for 2020/21

The General Fund (GF) capital programme 2020/21 to 2022/23 forecasts a total of £246m capital investment, £145m of which will be met from existing or new resources. The increase in the GF borrowing need over this period is therefore £101m as shown in **Table 2** below.

2019/20 Projected	Table 2 – Borrowing Requirement	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	Total
£m		£m	£m	£m	£m
80	GF Capital Expenditure	105	65	76	246
	Financed by:				
(56)	New & existing resources	(79)	(40)	(26)	(145)
24	**GF Borrowing Need**	**26**	**25**	**50**	**101**

Of the £101m borrowing need shown, £26m is for projects that are awaiting approval or detailed analysis. Therefore, the timing of borrowing is uncertain, and borrowing decisions for these projects will form part of the viability and due diligence process.

For the remaining borrowing need, the strategy will initially focus on meeting this borrowing need from internal borrowing i.e. avoiding external borrowing by utilising the council's own surplus cash flows. Modelling of the movement of reserves and the council's capital expenditure plans demonstrates that the General Fund's long term reserves can support a level of approximately £50m of internal borrowing in the medium term. This will mitigate the increase in the cost of borrowing and reduce counterparty risk within the council's investment portfolio by reducing the portfolio size.

However, borrowing rates from the PWLB were increased by HM treasury by 1% during the autumn. Therefore, the internal borrowing position needs to be carefully and

continually reviewed to avoid incurring higher borrowing costs in the future at a time when the authority may not be able to avoid new borrowing to finance capital expenditure or refinance maturing debt.

There will remain a cost of carry (the difference between borrowing costs and investment rates) to any new long term borrowing that causes a temporary increase in cash balances which will, most likely, lead to a cost to revenue.

2.2 Housing Revenue Account (HRA) Borrowing Position and Strategy

The Housing Revenue Account (HRA) carries a fully funded borrowing position (i.e. the HRA does not borrow from its own reserves, but instead undertakes borrowing for its entire borrowing requirement). Over the last three years, the HRA has entered into a total of £16.5m of external borrowing and £4.5m of borrowing from the General Fund to support the HRA Capital Programme. The most recent of this borrowing was undertaken in August 2019, where a £2.5m loan was undertaken for a period of 50 years at a historical low rate of 1.67%. Additionally, £16m of PWLB borrowing was undertaken by the HRA in March 2019 as part of a debt restructure to replace RBS loans.

HRA Borrowing Strategy for 2020/21

The HRA Capital Programme 2020/21 to 2022/23 forecasts a total £251m of capital investment over the next three years with £119m met from existing or new resources. The increase in the HRA's borrowing need over this period is therefore £132m as shown in **Table 3** below. It is expected that this borrowing need will be met from a combination of borrowing externally and from the General Fund. The extent to which the HRA can borrow from the General Fund is dependent on the level of liquid resources the General Fund has available to lend to the HRA and additionally will depend on the view of interest rate prospects:

- If it is considered that there is a significant risk of reducing long term interest rates, long term borrowing should be postponed;
- If it is considered that there is a significant risk of sharply increasing long term interest rates, long term borrowing should be considered.

2019/20 Projected	Table 3 – HRA Borrowing Requirement	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate	Total
£m		£m	£m	£m	£m
54	HRA Capital Expenditure	58	101	92	251
	Financed by:				
(37)	New & existing resources	(32)	(46)	(41)	(119)
17	**HRA Borrowing Need**	**26**	**55**	**12**	**132**

Table 4 below shows the actual expected external debt compared to the capital financing requirement over the next 3 years for both the General Fund and the HRA. This demonstrates that the HRA CFR is expected to be fully funded to 2022/23, and the General Fund is expected to maintain an underborrowed position:

2019/20 Estimate £m	Table 4	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
General Fund				
134	GF Debt at 1 April	140	171	190
6	Expected change in Debt	31	19	42
140	**GF Debt at 31 March**	**171**	**190**	**232**
183	GF CFR* at 1 April	201	221	239
24	Borrowing need (Table 2)	26	25	50
(6)	MRP	(6)	(7)	(7)
201	**GF CFR* at 31 March**	**221**	**239**	**282**
61	**Under / (Over) borrowing**	**50**	**49**	**50**
30.3%	**% Underborrowed**	**22.6%**	**20.5%**	**17.7%**
Housing Revenue Account				
127	HRA Debt at 1 April**	144	170	224
17	Expected change in Debt	26	54	45
144	**HRA Debt at 31 March**	**170**	**224**	**269**
127	HRA CFR at 1 April	144	170	224
17	Borrowing need (Table 3)	26	55	51
(0)	MRP	(0)	(1)	(6)
144	**HRA CFR at 31 March**	**170**	**224**	**269**
-	**Under / (Over) borrowing**	**-**	**-**	**-**

* *GF CFR in Table 4 is the underlying need to borrow and excludes PFI and lease arrangements, which are included in the CFR figure in the Prudential Indicators in Annex C.*

** *Includes both external debt and sums borrowed from the General Fund (£4.679m as at 1 April 2019).*

2.3 Policy on Borrowing in Advance of Need

The council will not borrow purely in order to profit from investment of sums borrowed in advance of need. Any decision to borrow in advance will be within approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of such funds. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting.

2.4 Debt Rescheduling

Officers continue to regularly review opportunities for debt rescheduling but there has been a considerable widening of the difference between new borrowing and repayment rates, which has resulted in much fewer opportunities to realise any savings or benefits from rescheduling PWLB debt.

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil long term treasury strategy aims;
- enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

The strategy is to continue to seek opportunity to reduce the overall level of the council's debt where prudent to do so, thus providing in future years cost reduction in terms of lower debt repayment costs, and potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt. All rescheduling will be agreed by the S151 Officer.

2.5 Interest Rate Risk & Continual Review

The council's total borrowing need of £233m is identified in **Tables 2 & 4.** This borrowing need, together with the debt at risk of maturity shown in **Table 5** is the extent to which the council is subject to interest rate risk over the next three years.

Table 5	2020/21	2021/22	2022/23
	£m	£m	£m
Maturing Debt	2	2	12
Debt Subject to early repayments options	15	20	20
Total debt at risk of maturity	**17**	**22**	**32**

Officers continue to review the need to borrow taking into consideration the potential increases in borrrowing costs, the need to finance new capital expenditure, the need to refinance maturing debt, and the cost of carry that might incur a revenue loss between borrowing costs and investment returns.

Against this background and the risks within the economic forecast, caution needs to be excercised. The Chief Finance Officer will therefore continue to monitor interest rates in financial markets and adopt a proactive approach to changing circumstances as follows:

- if it was considered that there was a significant risk of a forthcoming sharp fall in long and short term rates (e.g. due to a marked increase in the risk of relapse into recession or increasing risk of deflation), then long term borrowings will be postponed and potential rescheduling from fixed rate funding into short term borrowing will be considered;
- if it was considered that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, for example, arising from an acceleration in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that borrowing would be undertaken and fixed rate funding drawn on whilst interest rates are still lower than they will be in the next few years.

3. MINIMUM REVENUE PROVISION POLICY STATEMENT

The council is required to pay off an element of the accumulated General Fund capital spend each year (the Capital Financing Requirement - CFR) through a revenue charge (the minimum revenue provision - MRP). Ministry of Housing, Communities & Local Government (MHCLG) regulations require the full Council to approve an MRP Statement in advance of each year. A variety of options are available to councils, so long as the principle of any option selected ensures a prudent provision to redeem its debt liability over a period which is commensurate with that over which the capital expenditure is estimated to provide benefits (i.e. estimated useful life of the asset being financed).

The Council is recommended to approve the following MRP Statement for 2020/21:

For all debt where the government has provided revenue support (supported capital expenditure), the MRP policy will be:

- Provision on a straight line basis over 50 years.

For all debt where the government does not provide revenue support:

- Where the debt relates to an asset, the council will set side a sum equivalent to repaying the debt over the life of the asset either in equal instalments or on an annuity basis over a maximum life of 50 years. The method to be adopted will be determined according to which is the most financially beneficial to the council over the life of the asset.

- Where the debt relates to expenditure which is subject to a capitalisation direction issued by the government, the council will set aside a sum equivalent to repaying the debt over a period consistent with the nature of the expenditure on an annuity basis.

- In the case of assets under construction, MRP will be delayed until the relevant asset becomes operational.

Where the debt relates to capital loans to a third party:

- The repayments of principal will be set aside as capital receipts to finance the initial capital advance in lieu of making a MRP.

Where the debt relates to the Living Wage Joint Venture:

- The council will set aside, in equal instalments, a sum which is equivalent to repaying the debt at the end of year 40 within the 60 year business plan. Set aside will commence, at the latest, in the year in which net surpluses are modelled for each individual tranche of borrowing.

For on-balance sheet PFI schemes and leases, the MRP policy will be:

- Asset Life Method (annuity method) - The MRP will be calculated according to the flow of benefits from the asset, and where the principal repayments increase over the life of the asset. Any related MRP will be equivalent to the “capital repayment element” of the annual charge payable.

There is the option to charge more than the prudent provision of MRP each year through a Voluntary Revenue Provision (VRP).

4. ANNUAL INVESTMENT STRATEGY

The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals with financial investments. Non-financial investments are covered in the Capital Strategy (Appendix 2).

The council’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (the “Guidance”);
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (the “Code”);
- CIPFA Treasury Management Guidance Notes 2018.

The council's investment priorities will be the security of capital first, portfolio liquidity second and then yield (return).

4.1 Annual Investment Strategy for 2020/21

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is predicted that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments on short term or variable terms.
- Conversely, if it is predicted that Bank Rate is likely to fall within that time period, consideration will be given to locking in the higher rates currently obtainable, for longer periods.

Currently, Bank Rate is forecast to increase steadily but slowly over the next few years to reach 1.25% by Quarter 1, 2022. Bank Rate forecasts for financial year ends (March) are:

Year	2019/20	2020/21	2021/22	2022/23
Bank Rate	0.75%	0.75%	1.00%	1.25%

Link Asset Service's (LAS) view on the prospect for interest rates, including their forecast for short term investment rates is appended at Annex B.

The primary principle governing the council's investment criteria is the security of its investments, but return on investment is also important. After this main principle, the council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in and the criteria for choosing investment counterparties with adequate security, and monitoring their security;
- It has sufficient liquidity in its investments.

Approach for 2020/21

Following a review of the expected cash balances over the next 5-10 years, officers have looked at opportunities to invest in longer dated investments to make more effective use of the cash supporting longer term reserves. Two actions have been taken in the last two months to achieve this:

- £15m of loans to other local authorities with an investment length of between 1.5 and 5 years have been entered into. This provides additional yield whilst improving the security of the investment portfolio;
- Following a selection process supported by the council's treasury advisors, £10.0m will be invested across two short dated bond funds managed by Royal London Asset management.

The combined investment rate of the above Local Authority and Royal London investments is expected to be 1.91% for 2020/21. The current investment rate being achieved is 0.98%.

Changes from 2019/20 Strategy

There have been no changes proposed to the 2020/21 Annual Investment Strategy. The strategy proposed therefore reflects the strategy currently in place.

4.2 Investment Policy – Management of risk

Treasury management risks and how these risks are managed and mitigated are identified in the council's Treasury Management Practices and related procedures, details of which are held within the council's Treasury Management Team. The main risks to the council's treasury activities are:

- liquidity risk (inadequate cash resources);
- market or interest rate risk (fluctuations in interest rate levels and thereby in the value of investments);
- inflation risks (exposure to inflation);
- credit and counterparty risk (security of investments);
- re-financing risks (impact of debt maturing in future years); and
- legal and regulatory risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

The guidance from MHCLG and CIPFA places a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

i) Minimum acceptable credit criteria are applied in order to generate a list of high creditworthy counterparties. This also enables diversification and thus avoids a concentration of risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

ii) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the council will engage with its advisors to monitor market pricing such as "credit default swaps" (CDS) and overlay that information on credit ratings.

iii) Other information sources used will include the financial press, share prices and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

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

v) This authority has defined the list of types of investment instruments that the treasury management team are authorised to use.

   a. **Specified investments** are those with a high level of credit quality and subject to a maturity limit of one year. The limits and permitted instruments for specified investments are listed within Table 6.

b. **Non-specified investments** are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use. The limits and permitted instruments for non-specified investments are listed within Table 7.

vi) Lending limits (amounts and maturity) for each counterparty will be set through applying the credit criteria matrix (within Table 7).

vii) This authority will set limits for the amount of its investments:

a. which are invested for longer than 365 days, detailed in the Treasury Indicators in Annex C;

b. which are invested in any one sector (paragraph 4.5);

c. which are invested in any one counterparty within its relevant sector (paragragh 4.5).

viii) Investments in Non-UK Banks will only be placed with counterparties from countries with a specified minimum sovereign rating of AA (paragraph 4.3).

ix) Investments in UK banks will only be placed with counterparties with a minimum credit rating of BBB.

x) This authority has engaged external consultants, (see paragraph 5.3), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

xi) All investments will be denominated in sterling.

xii) As a result of the change in accounting standards for 2018/19 under International Financial Reporting Standard IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018 MHCLG concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for 5 years commencing from 1/4/18).

However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance (see paragraph 4.7). Regular monitoring of investment performance will be carried out during the year.

4.3 Sovereign Credit Ratings

For 2020/21 it is recommended to maintain the policy of lending to sovereign nations and their banks which hold at least an AA credit rating. The list of countries that qualify using this credit criteria (as at the date of this report) are shown below:

AAA Australia, Canada, Denmark, Germany, Luxembourg, Netherlands, Norway, Singapore, Sweden & Switzerland
AA+ Finland & United States,
AA France, United Arab Emirates, France, Hong Kong & UK

4.4 Creditworthiness Policy

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

Table 6 below summarises the types of specified investment counterparties available to the council, and the maximum amount and maturity periods placed on each of these. A full list of the council's counterparties and the current limits for 2020/21 are appended at Annex A.

When assessing credit ratings to ascecrtain limits for each counterparty, the lowest short and long term ratings from each of the three ratings agencies is applied. For simplicity, the ratings for Standard & Poor's are used in the tables below.

Criteria for Specified Investments

Table 6	Country/ Domicile	Minimum Capital Requirements	Min. Credit Criteria (L/term / S/term)	Max. Amount	Max. maturity period
Debt Management and Deposit Facilities (DMADF)	UK	N/A	N/A	unlimited	6 months
UK Local Authorities	UK	N/A	UK Sovereign Rating	£10m per LA	12 months
UK Banks – part nationalised*	UK	UK government must own majority shareholding	N/A	£25m	12 months
UK Banks & credit rated Building Societies	UK	Must meet minimum credit criteria	AA- / A-1+	£25m	12 months
			A / A-1	£15m	12 months
			BBB / A-2	£10m	6 months
Banks – Non-UK	Those with sovereign rating of at least AA*	Must meet minimum credit criteria	AA- / A-1+	£25m	12 months
Non-rated Building Societies	UK	Must have an asset base of at least £5bn at the time of investment	N/A	£5m	6 months
Money Market Funds (CNAV and LVNAV)	UK/Ireland/ EU domiciled	Must meet minimum credit criteria	AAA	£15m per fund	Liquid
Ultra Short Dated Bond Funds	UK/Ireland/EU domiciled	Must meet minimum credit criteria	AA	£15m per fund	Liquid

*See Paragraph 4.3 for full list of countries that meet these criteria

Lending to the council's operational banking service provider

An additional operating limit of £2m and an additional investment limit of £5m will be provided for the council's provider of transactional banking services (currently Lloyds Bank plc). It is unavoidable that the £2m operational limit will be breached from time to time however, officers will endeavour to keep this to an absolute minimum.

UK banks – ring fencing

The largest UK banks, (those with more than £25bn of retail / Small and Medium-sized Enterprise (SME) deposits), were required, by UK law, to separate core retail banking services from their investment and international banking activities by 1st January 2019. This is known as "ring-fencing". Whilst smaller banks with less than £25bn in deposits are exempt, they can choose to opt up. Several banks are very close to the threshold already and so may come into scope in the future regardless.

Ring-fencing is a regulatory initiative created in response to the global financial crisis. It mandates the separation of retail and SME deposits from investment banking in order to improve the resilience and resolvability of banks by changing their structure. In general, simpler activities offered from within a ring-fenced bank (RFB) will be focused on lower risk, day-to-day core transactions, whilst more complex and "riskier" activities are required to be housed in a separate entity, a non-ring-fenced bank (NRFB). This is intended to ensure that an entity's core activities are not adversely affected by the acts or omissions of other members of its group.

While the structure of the banks included within this process may have changed, the fundamentals of credit assessment have not. The council will continue to assess the new-formed entities in the same way that it does others and those with sufficiently high ratings (and any other metrics considered) will be considered for investment purposes. The list of approved counterparties in Annex A differentiates the limits for both ring fenced and non-ring fenced banks.

Part-Nationalised Banks

The council can lend up to £25m for up to 12 months to any bank in which the UK Government holds a majority shareholding regardless of the credit rating due to the implied government support of those entities. The Royal Bank of Scotland PLC & National Westminster Bank PLC are the two entities currently treated as part nationalised.

Non-Specified investments

These are any other types of investment that are not defined as specified. All such investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the minimum 'high' rating criteria where applicable:

Table 7	Instrument Type	Minimum credit criteria (L/term / S/term)	Maximum investments	Period
UK Local Authorities	N/A	N/A	£10m per LA	5 years
UK Banks & Non UK Banks	Fixed Deposits	AA+ / A-1+	£25m	3 years
		AA- / A-1+	£25m	2 years
	Negotiable Instruments	AA- / A-1+	£25m	5 years

Short Dated Bond Funds	UK/Ireland/EU domiciled	Short Dated bond funds are not rated. A selection process will evaluate relative risks & returns. Security of the council's money and fund volatility will be key measures of suitability	15m per fund	Liquid

A full list of counterparties that meet the council's criteria for both specified and non-specified investments are listed in Annex A.

4.5 Other Limits

In order to mitigate concentration risk, there are a number of other limits imposed within the investment strategy. **Table 8** sets out the maximum permitted investment for each sector at the time of investment:

Table 8 – Other Limits	
Sector	**Max total of portfolio**
Banking sector	100%
Building Society Sector	75%
Local Authority Sector	100%
Money Market Funds (MMF)	100%
Short Dated & Ultra Short Dated Bond Funds	50%
Debt Management Account Deposit Facility (DMADF)	100%

In addition to these limits:

- no more than 25% of the portfolio can be invested for more than 1 year; and
- with the exception of MMF & the DMADF, no one counterparty may have more than 25% of the relevant sector maximum at the time the investment is made.

4.6 Approved Methodology for adding and removing counterparties

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

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

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

A counterparty's exposure limit will also be reviewed where information contained in the financial press or other similar publications indicates a possible worsening in credit worth of a counterparty. The review may lead to the suspension of any counterparty where it is considered appropriate to do so by the Chief Finance Officer.

4.7 Investment Risk Benchmarking

The weighted average benchmark risk factor for 2020/21 is recommended to be 0.05%. This is unchanged from 2019/20. This is a measure of the percentage of the portfolio deemed to be at risk of loss by reference to the maturity date, value of investment, and credit rating of the individual investments within the portfolio compared to the historic default data for those credit ratings.

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

This matrix will only cover internally managed investments, excluding externally managed cash that has been subject to an individual selection process.

For any investment where there is a direct and legal offset against an existing financial liability, the investment will be assumed to have a benchmark risk of 0.00%.

5. OTHER TREASURY MATTERS

5.1 Banking Services

Lloyds Bank plc currently provides banking services for the council.

5.2 Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Training was last provided for members of the Audit & Standards Committee and Policy & Resources Committee on 8 October 2019 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed and training arranged as required.

5.3 Policy on the use of External Service Providers

The council uses Link Asset Services as its external treasury management advisors.

The council recognises that responsibility for treasury management decisions remains with the council at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subject to regular review.

5.4 Lending to Third Parties

The council has the power to lend monies to third parties subject to a number of criteria. These are not treasury type investments, rather they are policy investments. Any activity will only take place after relevant due diligence has been undertaken, as described in the Capital Strategy (Appendix 2 to this report).

5.5 Updates to Accounting Requirements

- **IFRS 9 – local authority override – English local authorities**

  The MHCLG enacted a statutory over-ride from 1 April 2018 for a five year period until 31 March 2023 following the introduction of IFRS 9 and the requirement for any capital gains or losses on marketable funds to be chargeable in year. This has the effect of allowing any capital losses on funds to be held on the balance sheet until 31 March 2023, allowing councils to initiate an orderly withdrawal of funds if required.

- **IFRS 16 – Leasing**

  The CIPFA Code of Practice and Guidance notes for 2020/21 will incorporate the requirement to account for all leases onto the council's balance sheet. This has the following impact to this paper:

  - The MRP Policy sets out how MRP will be applied for leases bought onto the balance sheet;
  - The Council's Capital Financing Requirement authorised limit and operational boundary for 2020/21 onwards has been increased to reflect the estimated effect of this change. These limits can be amended during 2020/21, and bought to full Council to amend with the TMSS Mid Year report if the limits need to be increased following some more detailed work on the leases to be bought onto the balance sheet.

Appendix 3

ANNEX A - Approved List of Counterparties 2020/21

Counterparty	Specified /Non-specified	Short-term			Long-term			Lending Limit	Fixed deposit duration limit (months)
		F=Fitch M=Moody's SP=Standard & Poor's							
		F	M	SP	F	M	SP		
(1) UK Banks									
Lloyds Banking Group:									
Bank of Scotland PLC (RFB)	Specified	F1	P-1	A-1	A+	Aa3	A+	£20m	12
Lloyds Bank PLC (RFB)	Specified	F1	P-1	A-1	A+	Aa3	A+	£20m	12
Lloyds Bank Corporate Markets PLC (NRFB)	Specified	F1	P-1	A-1	A	A1	A	£15m	12
Total Max. exposure to Lloyds Banking Group								£20m	12
Barclays Banking Group:									
Barclays Bank PLC (NRFB)	Specified	F1	P-1	A-1	A+	A2	A	£15m	12
Barclays Bank UK PLC (RFB)	Specified	F1	P-1	A-1	A+	A1	A	£15m	12
Total Max. exposure to Barclays Banking Group**								£15m	12
HSBC Group:									
HSBC Bank PLC (NRFB)	Specified	F1+	P-1	A-1+	A+	Aa3	AA-	£15m	12
HSBC UK Bank PLC (RFB)	Specified	F1+		A-1+	A+		AA-	£15m	12
Total Max. exposure to HSBC Group**								£15m	12
RBS/Natwest Group:									
Natwest Markets PLC (NRFB)	Specified	F1	P-2	A-2	A	Baa2	A-	£10m	6
National Westminster Bank PLC (RFB)	Specified	F1	P-1	A-1	A+	A1	A	£25m	12
The Royal Bank of Scotland PLC (RFB)	Specified	F1	P-1	A-1	A+	A1	A-	£25m	12
Total Max. exposure to RBS/Natwest Group**								£25m	12
Close Brothers Ltd	Specified	F1	P-1		A	Aa3		£15m	12
Clydesdale Bank PLC	Specified	F2	P-2	A-2	A-	Baa1	BBB+	£10m	6
Goldman Sachs International Bank	Specified	F1	P-1	A-1	A	A1	A+	£15m	12
Handelsbanken PLC	Both	F1+		A-1+	AA		AA-	£25m	24
Santander UK PLC	Specified	F1	P-1	A-1	A+	Aa3	A	£15m	12
Standard Chartered Bank	Specified	F1	P-1	A-1	A+	A1	A	£15m	12
Sumitomo Mitsui Banking Corporation Europe Ltd	Specified	F1	P-1	A-1	A	A1	A	£15m	12
(2) Building Societies+									
Coventry (2)	Specified	F1	P-1		A-	A2		£10m	6
Leeds (5)	Specified	F1	P-2		A-	A3		£10m	6
Nationwide (1)	Specified	F1	P-1	A-1	A	Aa3	A	£15m	12
Principality (6)	Specified	F2	P-2		BBB+	Baa2		£10m	6
Skipton (4)	Specified	F1	P-2		A-	Baa1		£10m	6

Appendix 3

Counterparty	Specified /Non-specified	Short-term			Long-term			Lending Limit	Fixed deposit duration limit (months)
		F=Fitch M=Moody's SP=Standard & Poor's							
		F	M	SP	F	M	SP		
Yorkshire (3)	Specified	F1	P-2		A-	A3		£10m	6
(3) Non-UK Banks									
Australia & NZ Banking Group (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
Commonwealth Bank of Australia (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
National Australia Bank Ltd (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
Westpac Banking Corporation (Australia)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
Toronto Dominion (Canada)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	24
Nordea Bank Abp (Finland)	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
Landwirtschaftliche Renenbank (Germany)	Both	F1+	P-1	A-1+	AAA	Aaa	AAA	£25m	36
NRW.BANK (Germany)	Both	F1+	P-1	A-1+	AAA	Aa1	AA	£25m	24
Bank Nederlandse Gemeenten (The Netherlands)	Both	F1+	P-1	A-1+	AA+	Aaa	AAA	£25m	36
Nederlandse Waterschapsbank N. V. (The Netherlands)	Both		P-1	A-1+		Aaa	AAA	£25m	36
DBS Bank Ltd (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	24
Overseas Chinese Banking Corporation Limits (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	24
United Overseas Bank Limited (Singapore)	Both	F1+	P-1	A-1+	AA-	Aa1	AA-	£25m	24
Svenska HandelsBanken AB (Sweden)	Both	F1+	P-1	A-1+	AA	Aa2	AA-	£25m	24
First Abu Dhabi Bank PJSC	Both	F1+	P-1	A-1+	AA-	Aa3	AA-	£25m	24
Bank of New York Mellon (USA)	Both	F1+	P-1	A-1+	AA	Aa1	AA-	£25m	24

* Ratings as advised by Link Asset Services 24 January 2020

+ UK Building Societies ranking based on Total Asset size – Source: Building Societies Association Jan 2020

** Where there are multiple counterparties within a banking group, exposure to the overall group will be the largest limit, but exposure to individual counterparties within the group will be based on the individual counterparty limit. Eg, exposure to Lloyds Banking Group can be up to £20m, but max exposure to Lloyds Bank Corporate Markets PLC will be £15m.

ANNEX B - ECONOMIC OVERVIEW

Provided by Link Asset Services on 4 February 2020

UK. Brexit. 2019 was a year of upheaval on the political front culminating in a new Conservative Government gaining a large overall majority in the **general election** on 12 December on a mandate of leaving the EU on 31 January. However, there will still be much market uncertainty as the detail of a comprehensive trade deal will need to be negotiated by the current end of the transition period in December 2020, which the Prime Minister has pledged he will not extend. Should this prove to be an unrealistically short timetable for such major negotiations that leaves open three possibilities; a partial agreement on many areas of agreement and then continuing negotiations to deal with the residual areas, the need for the target date to be put back, probably two years, or, a no deal Brexit in December 2020.

GDP growth took a big hit from both the political and Brexit uncertainty during 2019; quarter three 2019 surprised on the upside by coming in at +0.4% (+1.1% year-on-year). However, the peak of Brexit uncertainty during the final quarter appears to have suppressed quarterly growth to probably around zero. The forward-looking surveys in January have indicated that there could be a significant recovery of growth now that much uncertainty has gone. Nevertheless, economic growth may only come in at about 1% in 2020, pending the final outcome of negotiations on a trade deal. Provided there is a satisfactory resolution of those negotiations, which are in both the EU's and UK's interest, then growth should strengthen further in 2021.

At its 30 January meeting, the Monetary Policy Committee held Bank Rate unchanged at 0.75%. The vote continued to be split 7-2, with two votes for a cut to 0.50%. The financial markets had been predicting a 50:50 chance of a rate cut at the time of the meeting. Admittedly, there had been plenty of downbeat UK economic news in December and January which showed that all the political uncertainty leading up to the general election, together with uncertainty over where Brexit would be going after the election, had depressed economic growth in quarter 4. In addition, three members of the MPC had made speeches in January which were distinctly on the dovish side, flagging up their concerns over weak growth and low inflation; as there were two other members of the MPC who voted for a rate cut in November, five would be a majority at the January MPC meeting if those three followed through on their concerns.

However, that downbeat news was backward looking; more recent economic statistics and forward-looking business surveys, have all pointed in the direction of a robust bounce in economic activity and a recovery of confidence after the decisive result of the general election removed political and immediate Brexit uncertainty. In addition, the September spending round increases in expenditure will be kicking in in April 2020 while the Budget in March is widely expected to include a substantial fiscal boost by further increases in expenditure, especially on infrastructure. However, the MPC's forecasts for growth that were cut from 1.2% to 0.8% for 2020, and from 1.8% to 1.4% for 2021, could not include any allowance for the March Budget. Overall, the MPC clearly decided to focus on the more recent forward-looking news than the earlier downbeat news.

The quarterly Monetary Policy Report did, though, flag up that there was still a risk of a Bank Rate cut; "Policy may need to reinforce the expected recovery in UK GDP growth should the more positive signals from recent indicators of global and domestic activity not

be sustained or should indicators of domestic prices remain relatively weak." Obviously, if trade negotiations with the EU failed to make satisfactory progress, this could dampen confidence and growth. On the other hand, there was also a warning in the other direction, that if growth were to pick up strongly, as suggested by recent business surveys, then "some modest tightening" of policy might be needed further ahead. It was therefore notable that the Bank had dropped its phrase that tightening would be "limited and gradual", a long-standing piece of forward guidance; this gives the MPC more room to raise Bank Rate more quickly if growth was to surge and, in turn, lead to a surge in inflation above the 2% target rate.

As for **inflation** itself, CPI has been hovering around the Bank of England's target of 2% during 2019, but fell again in both October and November to a three-year low of 1.5% and then even further to 1.3% in December. It is likely to remain close to or under 2% over the next two years and so, it does not pose any immediate concern to the MPC at the current time. However, if there was a hard or no deal Brexit, inflation could rise towards 4%, primarily because of imported inflation on the back of a weakening pound.

With regard to the **labour market,** growth in numbers employed has been quite resilient through 2019 until the three months to September, where it fell by 58,000. However, there was an encouraging pick up again in the three months to October to growth of 24,000 and then a marked increase of 208,000 in the three months to November. The unemployment rate held steady at a 44-year low of 3.8% on the Independent Labour Organisation measure. Wage inflation has been steadily falling from a high point of 3.9% in July to 3.4% in November (3-month average regular pay, excluding bonuses). This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 2.1%. As the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. The other message from the fall in wage growth is that employers are beginning to find it easier to hire suitable staff, indicating that supply pressure in the labour market is easing.

Coronavirus. The recent Coronavirus outbreak could cause disruption to the economies of affected nations. The Chinese economy is now very much bigger than it was at the time of the SARS outbreak in 2003 and far more integrated into world supply chains. However, a temporary dip in Chinese growth could lead to a catch up of lost production in following quarters with minimal net overall effect over a period of a year. However, it's unknown quite how big an impact the virus may have around the world; if the efforts of the WHO and the Chinese authorities to contain the virus are successful this is likely to minimise economic impact.

WORLD GROWTH. Until recent years, world growth has been boosted by increasing **globalisation** i.e. countries specialising in producing goods and commodities in which they have an economic advantage and which they then trade with the rest of the world. This has boosted worldwide productivity and growth, and, by lowering costs, has also depressed inflation. However, the rise of China as an economic superpower over the last thirty years, which now accounts for nearly 20% of total world GDP, has unbalanced the world economy.

The trade war between the US and China is a major concern to financial markets due to the synchronised general weakening of growth in the major economies of the world, compounded by fears that there could even be a recession looming up in the US, though

this is probably overblown. These concerns resulted in government bond yields in the developed world falling significantly during 2019. If there were a major worldwide downturn in growth, central banks in most of the major economies will have limited ammunition available, in terms of monetary policy measures, when rates are already very low in most countries (apart from the US). There are also concerns about how much distortion of financial markets has already occurred with the current levels of quantitative easing purchases of debt by central banks and the use of negative central bank rates in some countries.

Prospects for interest rates

The council has appointed Link Asset Services (LAS) as its treasury advisor and part of their service is to assist the council in formulating a view on interest rates. The following table gives LAS's central view

Link Asset Services Interest Rate View	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	1.25	1.25	1.25	1.25
3 Month LIBID	0.70	0.70	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.30	1.30	1.30
6 Month LIBID	0.80	0.80	0.90	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.50	1.50	1.50
12 Month LIBID	0.90	0.90	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.70	1.70	1.70
5yr PWLB Rate	2.30	2.30	2.40	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.00	3.10
10yr PWLB Rate	2.50	2.50	2.60	2.60	2.70	2.80	2.90	3.00	3.10	3.10	3.20	3.20	3.30
25yr PWLB Rate	3.00	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.80	3.80	3.90	3.90
50yr PWLB Rate	2.90	2.90	3.00	3.10	3.20	3.30	3.40	3.50	3.60	3.70	3.70	3.80	3.80

The above forecasts have been based on an assumption that there is an agreed deal on Brexit, including agreement on the terms of trade between the UK and EU, at some point in time. The result of the general election has removed much uncertainty around this major assumption. However, it does not remove uncertainty around whether agreement can be reached with the EU on a comprehensive trade deal within the short time to December 2020, as the prime minister has pledged.

2019 was a weak year for UK economic growth as political and Brexit uncertainty depressed confidence. It was therefore of little surprise that the Monetary Policy Committee (MPC) left Bank Rate unchanged at 0.75% during the year. However, during January 2020, financial markets were predicting a 50:50 chance of a cut in Bank Rate at the time of the 30 January MPC meeting. Admittedly, there had been plenty of downbeat UK economic news in December and January which showed that all the political uncertainty leading up to the general election, together with uncertainty over where Brexit would be going after that election, had depressed economic growth in quarter 4 of 2019. However, that downbeat news was backward looking; more recent economic statistics and forward looking business surveys, all pointed in the direction of a robust bounce in economic activity and a recovery of confidence after the decisive result of the general election removed political and Brexit uncertainty. The MPC clearly decided to focus on the more recent forward-looking news, rather than the earlier downbeat news, and so left Bank Rate unchanged.

Provided that the forward-looking surveys are borne out in practice in the coming months, and the March Budget delivers with a fiscal boost, then it is expected that Bank Rate will be left unchanged until after the December trade deal deadline. However, the MPC is on alert that if the surveys prove optimistic and/or the Budget disappoints, then they may still take action and cut Bank Rate in order to stimulate growth.

Investment and borrowing rates

- Investment returns are likely to remain low during 2020/21 with little increase in the following two years. However, if major progress were made with an agreed Brexit, then there is upside potential for earnings.

- Borrowing interest rates were on a major falling trend during the first half of 2019/20 but then jumped up by 100 bps on 9/10/2019. The policy of avoiding new borrowing by running down spare cash balances has served local authorities well over the last few years. However, the unexpected increase of 100 bps in PWLB rates requires a re-think of local authority treasury management strategy and risk management. As Link Asset Services' long-term forecast for Bank Rate is 2.25%, and all PWLB certainty rates are close to or above 2.25%, there is little value in borrowing from the PWLB at present. Accordingly, the council will reassess its risk appetite in terms of either seeking cheaper alternative sources of borrowing or switching to short term borrowing in the money markets until such time as the Government might possibly reconsider the margins charged over gilt yields. Longer term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

- While this authority will not be able to avoid borrowing to finance new capital expenditure and to replace maturing debt, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new short or medium-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

ANNEX C - PRUDENTIAL AND TREASURY INDICATORS 2020/21 to 2022/23

The council's capital expenditure plans are a key driver of treasury management activities. The output of the capital expenditure plans are reflected in prudential indicators. Local authorities are required to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the council's capital investment plans are affordable, prudent and sustainable. The Code sets out the indicators that must be used but does not suggest limits or ratios as these are for the authority to set itself.

The Prudential Indicators for 2020/21 to 2022/23 are set out in **Table A** below:

Table A	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
General Fund (GF) Prudential Indicators			
GF Capital Expenditure £m (gross) General Fund capital expenditure plans	£105m	£65m	£76m
GF Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes (including PFI & Leases)	£276m	£294m	£333m
GF Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream	5.30%	5.46%	5.32%
Housing Revenue Account (HRA) Prudential Indicators			
HRA Capital Expenditure £m (gross) HRA capital expenditure plans	£58m	£101m	£92m
HRA Capital Financing Requirement £m* Measures the underlying need to borrow for capital purposes	£170m	£224m	£269m
HRA Ratio of financing costs to net revenue stream** Identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against net revenue stream	10.41%	11.51%	20.89%

** From 2020/21, the CFR includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

*** the ratio of financing costs to net revenue stream illustrates the percentage of the Council's net revenue budget being used to finance the council's borrowing. This includes interest costs relating to the council's borrowing portfolio and MRP, net of the investment income from the council's investment portfolio.*

The Treasury Management Code requires that Local Authorities set a number of indicators for treasury performance in addition to the Prudential Indicators which fall under the Prudential Code. The Treasury Indicators for 2020/21 to 2022/23 are set out in **Tables B & C** below. These have been calculated and determined by Officers in compliance with the Treasury Management Code of Practice:

Table B	2020/21 Estimate	2021/22 Estimate	2022/23 Estimate
Authorised Limit for External Debt £m* The council is expected to set a maximum authorised limit for external debt. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by Full Council.	£465m	£537m	£622m
Operational boundary for external debt £m* The council is required to set an operational boundary for external debt. This is the limit which external debt is not normally expected to exceed. This indicator may be breached temporarily for operational reasons.	£455m	£527m	£612m
Principal Sums invested for longer than 365 days	£30m	£30m	£30m

**From 2020/21 The Authorised Limit and Operational Boundary includes an estimate for leases that will be bought onto the balance sheet under a change in leasing accounting regulations.*

Table C		
Maturity Structure of fixed interest rate borrowing* The council needs to set upper and lower limits with respect to the maturity structure of its borrowing.		
	Lower	Upper
Under 12 months	0%	40%
12 months to 2 years	0%	40%
2 years to 5 years	0%	50%
5 years to 10 years	0%	75%
Over 10 years	40%	100%

ANNEX D - SCHEME OF DELEGATION

1. Full Council

- Approval of Annual Investment Strategy, Treasury Management Strategy Statement, Capital Strategy, Treasury Management Policy Statement;
- Approval of the Minimum Revenue Provision Policy;
- Approval of the Prudential and Treasury indicators, including the Affordable borrowing limits;
- Approval of the annual revenue budget for financing costs.

The requirements are all contained within this appendix (TMSS incorporating the AIS) and Appendix 2 (Capital Strategy) of this report.

- Any changes to the Annual Investment Strategy during the year require approval by full Council.
- Full Council are able to delegate the implementation and monitoring of the treasury management function. This function is delegated to the Policy & Resources Committee.

2. Policy & Resources Committee

- Approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- Budget development, consideration and approval;
- Approval of the division of responsibilities;
- Receiving and reviewing regular monitoring reports and acting on recommendations.

P&R receive the following reports in order to fulfil these requirements:

- A **Mid-Year Review Report** – an update on progress of the treasury and investment strategy against budget and the treasury & prudential indicators for the first six months of the year. Any amendments to the indicators or investment strategy require P&R committee to recommend that full Council approve the changes.
- **End of Year Review report** – an update regarding the actual outturn of the treasury position provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.
- **Quarterly TBM reports** - includes the revenue impact of the financing cost budget.

P&R Committee is the body held responsible for the scrutiny of the actual performance of the treasury avctivities against the strategy.

3. Role of the Section 151 Officer

The Section 151 (responsible) Officer is responsible for:

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;

- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

There are further responsibilities for the S151 Officer identified within the 2017 Code in respect of non-financial investments. They are identified and listed in the Capital Strategy where relevant.

Review of Reserves

Adequacy of Reserves – working balance

The working balance is recommended to be maintained at £9m over the next 5 years of the Medium Term Financial Strategy. The consequences of not keeping a minimum prudent level of balances can be serious and in the event of a major problem or a series of events, the council would run a serious risk of a deficit or of being forced to cut spending during the year in a damaging and arbitrary way.

The current level of balances has been based on the robustness of estimates information and the Corporate Risk Register. In addition, the other strategic, operational and financial risks taken into account when considering the minimum level of the working balance include:

(i) The complexity and degree of uncertainty associated with planned economy and efficiency measures and/or service changes and the likelihood of achieving them in full;

(ii) The level of balances required to complement resources potentially available under the Bellwin Scheme for Emergency Financial Assistance to Local Authorities in the event of a major emergency;

(iii) Risks of rising demand, increasing costs and/or falling income due to economic conditions or potential legislative changes;

(iv) The risk of major legal challenges, both current and in the future;

(v) Risks in the financial inter-relationship between NHS partners and the council;

(vi) The need to retain a general contingency to provide against unforeseen circumstances that may arise, for example, delays in council tax billing which could arise from a major systems or power outage;

(vii) The need to retain reserves for general day-to-day cash flow needs.

In addition, the cash flow risk for unitary authorities is significant given the full range of services provided. Taking all of these factors into account, a £9.0m working balance is considered appropriate, representing about 3 weeks of council tax revenue.

Schools' Balances

Schools' balances, while consolidated into the council's overall accounts, are a matter for Governing Bodies. Nevertheless, under the council's Scheme for Financing Schools the council has a duty to scrutinise whether any school holds surplus balances. The council's Scheme for Financing Schools is in line with the requirements of the Secretary of State for Education and the arrangements in place are considered adequate.

Estimated Earmarked General Fund Revenue Reserves

Processes are in place to regularly review the council's earmarked revenue reserves. Details of the review of reserves are included in the table below.

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
General Fund Reserves					
General Fund Working Balance/General Reserves	9,000	0	9,000	Reviewed against the register of financial risks, taking into account the requirements of the Local Government Act 2003.	A minimum working balance of £9.000m is recommended by the Chief Finance Officer in accordance with the requirements of Section 25 of the Local Government Act 2003.
Capital Receipts Reserve	12,304	-12,304	0	Ongoing review as part of TBM process.	Committed to fund the Capital Investment programme including HRA Capital Programme and support for the budget plans.
Library PFI Reserve	818	-1	817	Following closure of accounts.	Use for funding the project over the lifetime of the PFI scheme.
Waste PFI Project Reserve	5,721	980	6,701	Following closure of accounts.	Use for funding the project over the life time of the PFI. It will be used to provide short term cashflow funding to support the Housing Joint Venture and Term Time Only back-pay claim and will be replenished in time to meet existing Waste PFI commitments.
Finance Costs Reserve	120	-120	0	Following closure of accounts.	Held to smooth fluctuations in the Financing Costs budget.
Modernisation Fund and 4 Year Integrated Service & Financial Plan Reserves	0	0	0	Following closure of accounts.	**Balance of £1.137m transferred to Working Balance in 2019/20 to offset TBM Outturn. overspend.**
Section 106 Receipts (Revenue)	490	-163	327	Reviewed throughout the year to reflect agreed liabilities and new agreements.	Retain for specified purpose.

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
Section 106 Interest	559	208	767	Reviewed throughout the year to reflect agreed liabilities and new agreements.	Retain for specified purpose.
Developer Contributions Unapplied (S106 Capital)	648	-216	432	Reviewed throughout the year to reflect agreed liabilities and new agreements.	Retain for specified purpose.
Brighton Centre Redevelopment Reserve	2,495	-350	2,145	Following closure of accounts.	Held to support future expenditure on the Brighton waterfront project from 2022/23 onwards. Interest is accrued on balances held. This reserve will be used in the short term if there remains any unfunded overspend from the 2019/20 outturn.
Customer Access & Accommodation Strategies & The Link Network Upgrade Reserve	109	-60	49	Following closure of accounts.	Balance being held as contingency for the Link programme as included in the business case.
Concessionary Bus Passes	74	-74	0	Following closure of accounts.	Retain for specified purpose - to smooth out annual purchase of concessionary passes.
One Planet Living Implementation	14	-14	0	Following closure of accounts.	Plans by the International & Sustainability Programme team to support the programme.
IT&D Investment Reserve	172	-72	100	Following closure of accounts.	Held to support planned IT&D expenditure over the next two years.
Environmental Enforcement Reserve	70	-20	50	Following closure of accounts.	Surpluses from fines for littering etc must be reapplied to the service area as approved by the committee and as required by legislation.

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
Winter Maintenance	651	-150	501	Following closure of accounts.	Held to fund exceptional costs of extreme weather.
Outdoor Events	76	12	88	Following closure of accounts.	Retain to hold funds for the 2021 UEFA women's Football Championships where Brighton & Hove is a host city.
Dome Planned Maintenance	427	0	427	Following closure of accounts.	Retain - subject to lease agreement with Brighton Dome & Festival Society.
Hove Park 3G Pitch Renewal	15	0	15	Following closure of accounts.	Held to replace pitch at the end of its useful life.
Surface Water Management Reserve	862	-300	562	Following closure of accounts.	Retain to support planned SWAMP related works.
BikeShare Scheme Reinvestment Reserve	128	-48	80	Following closure of accounts.	Retain to hold income share to the council from the Bike Share scheme to support future expansion and innovation of the scheme.
Community Equipment Reserve	21	-21	0	Following closure of accounts.	Risk reserve held to manage any pressures within adult social care services that can't be managed through the Better Care programme.
Welfare and Local Government Funding Reform Reserve (Renamed)	29	0	29	Following closure of accounts.	Retain to support the council's response to Welfare Reform and reduction in budget for Local Discretionary Social Fund.
Sports Facilities Reserve	227	-227	0	Following closure of accounts.	To contribute to the capital project at Prince Regent Swimming complex to be delivered in 2020.
Licensing - other reserve	78	-16	62	Following closure of accounts.	Retain for specified purpose - to fund potential future deficits or repayment to licensees.

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
Taxi Licensing	81	-10	71	Following closure of accounts.	Retain for specified purpose - to fund potential future deficits or repayment to licensees.
East Brighton Parking Surplus	9	-9	0	Following closure of accounts.	Retain to support expenditure on East Brighton Park. Projected to be spent in 2019/20 on the Park and parking infrastructure.
Preston Park Parking Surplus	98	-35	63	Following closure of accounts.	Retain to support expenditure on Preston Park. Projected to be spent in 2019/20 on park infrastructure.
Road Works Permit Scheme	33	0	33	Following closure of accounts.	To separately account for permit income so that any surplus can be carried forward to future years to fund relevant expenditure.
i360 Reserve	4,989	0	4,989	Following closure of accounts.	£1.0m is ring fenced for reinvestment in Madeira Drive with all remaining resources held until the i360 is in a sustainable financial position.
HMO Licensing Fees Reserve	352	-50	302	Following closure of accounts.	Retain to support annual inspections.
HMO Additional Licensing Fees	398	-150	248	Following closure of accounts.	Retain to support Additional licensing work over the period of the license to 2023.
Phoenix House Sinking Fund	60	0	60	Following closure of accounts.	Retain for maintenance requirements at Phoenix House.
Damage Deposit Guarantee Scheme	298	0	298	Reviewed during the year as part of budget monitoring process	Retained for specific purpose but required level will continue to be reviewed.
Cemeteries Maintenance Reserve	54	-15	39	Following closure of accounts.	Retain for maintenance of cemeteries, tree clearance etc
PRS Rent Deposit Scheme	41	-1	40	Following closure of accounts.	Retained for specific purpose but required level will continue to be reviewed.

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
Travellers Site Capital Reserve	54	-35	19	Following closure of accounts.	Contribution each year to reserves for future major works costs of the Travellers site to pay for capital works such as works to shower blocks.
Seaside Homes Reserve	55	0	55	Following closure of accounts.	Retained in case of changes to the current arrangements and any associated costs.
City Deal New England House Dev Reserve	4,900	-500	4,400	Following closure of accounts.	Report to Strategic Delivery Board in Sept 2019 forecasts spend to commence in 2022/23 on major refurbishment works
Investment Properties (Dilapidations)	245	-245	0	Following closure of accounts.	Proposed to invest in improvements to existing stock and support rental security / improve rental streams.
Restructure Redundancy Reserve	100	0	100	As part of closure of accounts.	Restructure & Redundancy costs are funded within the capital programme as part of the capitalisation direction.
Insurance Reserve General	5,196	0	5,196	The Insurance Fund is subject to a bi-annual health check by the actuaries. The last health check was completed in March 2019.	The level of the Insurance Fund has been adjusted in line with the recommendations of the actuary report in March 2019.
Total General Fund Reserves	**52,071**	**-14,006**	**38,065**		

Appendix 4

Item	Estimated Balance as at 01/04/20 £'000	Planned Use 2020/21 £'000	Estimated Balance as at 31/03/21 £'000	Review Arrangements	Conclusion
HRA Reserves					
HRA Working Balance	5,860	388	6,248	Following closure of accounts.	A minimum working balance of £3m is recommended by the Chief Finance Officer in accordance with the requirements of Section 25 of the Local Government Act 2003. Any residual balance is to pay for any extra H&S costs post Grenfell and risk around new repairs service.
EDB Reserves	142	-107	35	Following closure of accounts.	Retain for estates development. Annual amount is approved to fund EDB; the programme is a rolling programme with new schemes approved annually.
Renewable Energy Reserve	144	-50	94	Following closure of accounts.	Maintain for specified purpose.
Rent Support Reserve	800	-800	0	Following closure of accounts.	To support the delivery of new council homes at a lower rent in 2020/21.
Restructure Redundancy Reserve	388	-388	0	Following closure of accounts.	Move to General reserves in 20/21
Total HRA Reserves	**7,334**	**-957**	**6,377**		
Schools / DSG Reserves					
Schools PFI Project Reserve	1,128	-100	1,028	Following closure of accounts.	Use for funding the project over the lifetime of the PFI scheme.
Schools LMS Balances	3,000	0	3,000	Following closure of accounts.	Balances are held by school governing bodies.
Portslade Adult Learning	20	0	20	Annually	Balance used at the discretion of the facility
Total Schools / DSG Reserves	**4,148**	**-100**	**4,048**		
TOTAL RESERVES	**63,553**	**-15,063**	**48,490**		

General Fund Provisions					
Hostel Accommodation Dilapidations	23	-23	0	Following closure of accounts.	Held for dilapidation costs for West Pier Hostel following retendering of service.
Voluntary Severance Provision	475	0	475	Following closure of accounts.	To fund cost of potential redundancies from 2020/21 Budget plans.
Total General Fund Provisions	**498**	**-23**	**475**		
TOTAL ALL FUNDS	**64,051**	**-15,086**	**48,965**		

Summary of amounts released from Reserves to support one-off resources

Description	£'000
General Fund Working Balance (see paragraph 3.15 of main report)	167
Modernisation Fund and 4 Year Integrated Service & Financial Plan Reserves	1,137
Total	**1,304**

APPENDIX 5

ASSESSMENT OF MEDIUM TERM RISKS

The Medium Term Financial Strategy (MTFS) of a large organisation with many demand-led services, and complex and uncertain funding streams will always contain a significant and varying degree of risk. The government announced a one-year spending review in September 2019, and a one-year local government finance settlement in December 2019 which is reflected in the budget for 2020/21. These short term announcements mean funding for local government services in the medium term remains uncertain and presents potentially significant financial risks.

The last 4-year settlement provided some additional certainty for resources, however, in practice there were significant elements of funding such as the Improved Better Care Fund that remained uncertain over the 4-year period, making long term financial planning very challenging. Therefore, even if a multi-year settlement for local government is announced in the future, this could be subject to substantial revision. There are also uncertainties relating to the forthcoming Fair Funding Review and government proposals relating to the potential retention of up to 75% of Business Rates locally. In general, other factors that can have a material effect on the medium term financial position of an authority include:

- The lack of certainty in future resource levels;
- Changes in function and/or funding;
- Changes in the economy including the impact on business rates income;
- Similarly, impacts on the levels of house building which affects both Council Tax and New Homes Bonus or its successor;
- The level of future successful appeals against the business rating list;
- Changes in employer costs e.g. pension or national insurance changes;
- Achievement of performance targets for performance related grant or partnership funding;
- Delivery and achievement of savings and modernisation programmes;
- Ability to manage identified demand-led service pressures;
- Decisions on council tax and the council tax reduction scheme;
- Democratic support for change including partnership working and integration.

Risks to the MTFS arise from both external and internal factors. External risks include, for example, Government policy decisions that can have an adverse financial impact on the council. External risks are generally the most difficult to manage or plan for.

Internal risks can also arise for a number of reasons, such as cost overruns, changing priorities or ineffective systems of demand management. They may also be influenced by external factors. It is vital to have adequate mechanisms to manage internal risks if financial stability is to be achieved. There are a number of ways in which the effects of risks can be managed and these are set out in the following risk table. Furthermore, the council's MTFS aims to minimise the impact of some of the major financial risks and the impact on investment in support of the council's priorities.

However, the forecasts within the MTFS are based on prudential assumptions that reflect the most likely position based on current knowledge and therefore there are also opportunities where any of the forecasts are found to overstate actual expenditure or under-estimate actual income.

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
Potential Risks affecting 2020/21 onwards					
Council Tax base is lower than anticipated e.g. lower number of new properties / more student exempt properties / more SMI exemptions / more discounts awarded / higher caseload for CTRS discounts, resulting in a deficit on the collection fund	3	3 0.1% reduction in council tax = £0.150m	9	Would require reductions in budgets (increased savings) for the following year	Close monitoring of the collection fund and checking validity of exemptions and discounts particularly new property developments, student numbers, CTRS discounts and empty property discounts. Through major projects, working with further education establishments to encourage development of more dedicated student accommodation.
Collection of council tax for CTRS claimants falls due to its impact on household budgets alongside other Welfare Reform impacts, resulting in a deficit on the collection fund	3	2 0.1% reduction in council tax collection = £0.150m	6	Would require reductions in the budget (increased savings) for the following year	Close monitoring of the collection fund, including claimants under the CTR scheme. Additional debt collection resources were provided at the start of the CTR scheme and collection rates were adjusted for further CTR scheme changes to reflect harder to collect debt. Collection rates in recent years have been maintained at target levels. Appropriate communications, advice (linked to Welfare Reform advice services), discretionary funds (£0.200m for 2020/21) and collection strategies have been agreed to

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
					minimise impact.
Services fail to operate within set budgets due to increased service demands or weak systems of demand management	3	4 1% gross expenditure on demand led budgets = £1.3m	12	Departmental service pressures that can only be met through additional resources, such as the one-off risk provision, or unplanned savings having to be made elsewhere. Possible need for emergency spending and/or recruitment controls with potential impacts on service delivery and quality. Reduction in reserves / working balance. Value for Money qualification of accounts by not securing economy, efficiency and effectiveness in the use of resources.	Close monitoring and analysis of demand-led budgets and overall budget through budget monitoring (TBM). Identify action plans to mitigate cost pressures. Health & Social Care system management activity prioritised through the Better Care Fund and integrated commissioning. Strategy Corporate Plan investments for addressing Homelessness. Continued efforts to embed adolescent and care leaver strategies across agencies.
Services fail to operate within set budgets due to: • Unachievable income • Price variations • Exceptional legal costs	3	4 1% of fees and charges income = £1.1m	12	Departmental cost or income pressures that can only be met through additional resources, such as the one-off risk provision, or savings being made elsewhere in the budget. Possible need for emergency spending and/or recruitment controls with potential impacts on service delivery and quality. Reduction in reserves / working balance.	Monitor income budgets through TBM and the Corporate Modernisation Delivery Board governance arrangements for the Corporate Debt programme. Identify action plans to mitigate unachievable income, price variation and exceptional legal costs. In-year review of charging policy and revised charges approved where absolutely necessary.

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
				Value for money qualification of accounts by not securing economy, efficiency and effectiveness in the use of resources	Ongoing support for improved contract management and procurement. Internal Audit review of services where performance issues or financial concerns are identified.
Services fail to operate within set budgets due to unachievable savings arising from: - Over-estimate of the savings potential; - Industrial relations issues; - Withdrawal of political support; - Higher than estimated costs to implement the savings opportunity.	3	3 1% of GF savings = £0.1m	9	Departmental service pressures that can only be met through additional resources, such as the one-off risk provision, or savings being made elsewhere in the budget. Possible need for emergency spending and/or recruitment controls with potential impacts on service delivery and quality. Reduction in reserves / working balance.	Monitor savings through TBM and identify action plans to mitigate the unachievable savings. Potentially refer back to members for decisions on alternative savings proposals where these are significant or cannot be mitigated elsewhere.
PFI Waste tonnages higher than projected resulting in additional disposal costs	2	4 1% increase in tonnage per annum = £1.3m p.a. over life of PFI contract	8	Would increase the waste disposal budget and compensating savings would need to be identified elsewhere in the budget.	Provision (contingency) for higher tonnages made in the assessment of the waste PFI reserve. Monitor and identify specific areas of growth and undertake waste minimisation and further recycling measures. Trends are monitored and

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
					reflected in the MTFS for future years.
The uncertainties within the housing market, changes in housing benefit and welfare reform create spending pressures within the budget e.g. homelessness	4	3 10% increase in net temporary accommodation budget = £0.31m	12	Would create additional pressures in the Housing Strategy and potentially other related budgets which would need to find compensating savings.	Continue to assess and monitor the potential impact of changes to the housing benefit system / welfare reform and plan and respond to government consultations accordingly. A range of additional discretionary funds continue to be set aside to be directed to the most appropriate area as needed. There are a number of supporting strategies linked to the corporate plan priorities including the Homelessness, Financial Inclusion and Welfare Reform strategies. An additional one-off resource (£0.260m) is proposed in 2020/21 to provide continued welfare reform support & advice.
Increased insurance premiums as a result of national or international storm damage claims over the longer term	3	2 30% increase = £0.21m	6	Would require compensating savings to be identified in 2020/21 and future years.	Currently undertaking an Orbis wide retendering to minimise potential cost increases. Continued emphasis on risk management to help prevent future claims.
Long term borrowing rates higher than anticipated	2	2 0.1% higher = £0.02m for £20m borrowing	4	Would increase borrowing costs budget over the long-term. Would hinder business cases	Closely monitor long term borrowing rates and future borrowing requirements to help identify the best time to borrow,

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
				involving borrowing and make invest-to-save schemes less financially attractive	supported by independent advisors. Trigger rates have been incorporated into decision making for new borrowing to ensure the council benefits from low interest rates in a fluctuating market. Under-borrowing (using available cash balances) remains a viable short term strategy.
Major civil incident occurs e.g. storm, flooding, riot	2	3 Estimated "Bellwin" threshold = £0.4m	6	Budget overspend / reduction in reserves / working balance. Pressures on other budgets. The council would have to meet the costs of uninsured risks in addition to the "Bellwin" threshold.	Ensure adequate levels of reserves and working balance to cover threshold expenditure. Ensure appropriate insurance cover is in place and that the Insurance Fund is sufficient to cover uninsured risks.
Severe winter weather places additional spending pressures on winter maintenance and other budgets across the council	3	3 Depends on severity of weather event	9	Need to use reserves or one-off risk provisions.	Advance planning to minimise possible disruption. Plan to replenish reserves in future years would be required.
Cost overruns occur on schemes in the agreed capital programme	3	2 1% cost overrun on total programme = £1.7m	6	Reserves or other capital resources redirected to fund overspend. Unable to meet capital investment needs. Increased borrowing requirement.	Effective cost control and expenditure monitoring. Flexibility within or across programmes to re-profile expenditure if necessary. Flexing Capital Financing Strategy or HRA self-financing strategy as appropriate.
Capital receipts lower than anticipated	3	3 10% reduction in receipts = £0.7m	9	Fewer resources available for regeneration programmes, Workstyles, Modernisation,	Flexible capital programme that allows plans to be reduced or re-profiled.

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
				and Digital and IT infrastructure,	Alternative site disposal plans are capable of being accelerated if necessary. Borrowing is an option for invest-to-save schemes.
Income from business rates is lower than expected due to successful rating appeals / higher levels of relief awarded / redevelopment of existing sites gives temporary reduction / collection performance declines	3	3 1% of forecast retained business rates income = £0.6m	9	Would require an increased budget gap to be addressed in the following financial year.	Make appropriate provisions in resource forecasts. Respond to MHCLG consultations on business rates changes. Detailed monitoring of business rates yield and collection to ensure it reflects the latest known position. Corporate approach to economic development and city regeneration.
Further risks affecting 2021/22 onwards					
Potential transfer to 75% retained business rates results in a net loss of resources from combined impact of: • Reduced grant funding including the RSG; • New responsibilities transferred to authorities; • Increased business rates income; • Downward changes in business rates tax base have bigger impact than the current	3	4 1% reduction in Settlement Funding Assessment = £0.7m	12	Transfer is expected to involve major transfers of functions and funding (e.g. Public Health and RSG) of approximately £30m and therefore creates significant uncertainty over resource levels. Would require an increased budget gap to be addressed in the following financial year/s.	Engage fully in upcoming and future government consultations to ensure there is early warning of any adverse consequences

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
49% exposure					
The Governments Fair Funding Review results in lower Relative Needs leading to reduced government resources : - • Reduced grant funding • Higher Business Rates tariff payment	3	4 1% reduction in Settlement Funding Assessment = £0.7m	12	Would require an increased budget gap to be addressed in the following financial year/s.	Engage fully in government consultations. Ensure core data used to determine relative needs is accurate and up to date
Business Rates revaluation appeals result in losses of business rate income in excess of the provision for appeals.	3	4 1% of forecast retained business rates income = £0.6m	12	Would require an increased budget gap to be addressed. Limited protection from safety net is afforded at 7.5% below baseline funding.	Respond to any government consultation on changes to the distribution mechanism. Continued liaison with VOA to ensure good access to data. Monitor the impact of appeals throughout the remaining revaluation period.
MTFS pay assumptions for 2021/22 onwards are lower than agreed pay awards and other pay related costs	3	3 0.5% change in pay award = £0.6m for the general fund	9	Impact on budget gap if pay provisions are insufficient to meet increased ongoing costs arising from transformation, pay awards and/or impact of the National Living Wage.	Monitor progress on pay award negotiations and wider national settlements.
Cash reductions in remaining unringfenced government grants in 2021/22 and beyond are above levels included in future years' budgets (either directly or via 75% BRR)	4	4 5% reduction in unringfenced government grants = £0.83m	16	Would require an increased budget gap to be addressed in the following financial year	Provisions for reductions are made in MTFS resource forecasts. Develop strategies to identify priorities and mitigate impact of reductions.
Reduction in Dedicated Schools Grant following review of existing formula and introduction of a	2	2 1% of DSG = £1.7m	4	Additional pressure on schools' budgets. However the government has	Detailed monitoring of schools' budgets including 'licenced deficit' recovery plans.

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
national formula funding model for distribution between schools				promised £14.3bn additional funding for schools over the next 3 years.	
Forecast resources from 2021/22 onwards lower than forecast in the MTFS	3	4 1% reduction in Settlement Funding Assessment = £0.7m	12	Would require an increased budget gap to be addressed in the following financial year/s.	Lobby LGA and government over future spending totals, particularly long term funding of social care. Lobby for greater overall share of funding assessment (SFA) and respond in detail to the consultation on the Fair Funding Review and 75% BRR in particular.
Government changes to business rates (e.g. cap on multiplier, enhanced or new reliefs) are not fully funded through ongoing section 31 compensation grants	2	4 Estimated value of Section 31 grant = £9.5m	6	Would require an increased budget gap to be addressed in the following financial year/s.	Lobby MHCLG to ensure any new measures impacting on business rates income are fully funded.
Energy and fuel prices increase above budgeted provision	3	2 10% increase to the general fund = £0.33m	6	Would reduce resources within budgets creating the need to find compensating savings. However, higher electricity prices would mean that the share of electricity income from the Energy From Waste plant will increase to offset some of the cost increase.	Reduce consumption and implement measures to generate energy. Monitor energy/fuel market contracts closely and consider alternative procurement routes if necessary. Risk provisions and service pressures provide some cover for higher inflation.
Investment interest rates lower than anticipated	2	3 0.1% lower = £0.07m	6	Would need more reserves to cover any shortfall in the investment interest budget.	Keep investment strategy under constant review. Work with Treasury Advisers to maximise return within agreed

Risk	Likelihood (L)	Impact (I)	Risk = (L) x (I)	Possible Impact on Financial Strategy	Mitigation / Management
					risk parameters. Seek decisions from members for changes to risk appetite, counterparties or investment strategy if market availability moves outside of current parameters.

Key: **Likelihood (L)** (of occurrence): 1 – Almost impossible, 2 – Unlikely, 3 – Possible, 4 – Likely, 5 – Almost certain.
Impact (I): 1 – Insignificant, 2 – Minor, 3 – Moderate, 4 – Major, 5 – Catastrophic or fantastic.
Risk Score (L) x (I): 1 to 3 Low, 4 to 7 Moderate, 8 to 14 Significant, 15 to 25 High.

Other potential risks

- The UK's withdrawal from the European Union presents a very wide range of possible risks depending on the terms of the withdrawal. Many of the risks will be at a macro-economic level affecting for example interest rates, currency valuations, government tax revenues and borrowing, consumer inflation (prices), etc. However, these could clearly impact on both the city and the council itself including impacts such as the level of house-building (Council Tax growth), the prosperity of business and/or visitor economies (Business Rates) and a wide range of employment and labour market impacts. The risks are too broad and fundamental for the council to address and, in a worst case scenario, are likely to require a national government response both in terms of public sector funding and fiscal policy measures.
- Financial risks concerning the transfer of service delivery to alternative delivery models (ADMs), Trusts, other providers and the joining up of services through shared services or other partnerships will need to be managed through good business case development, robust legal and financial agreements and effective governance arrangements.

Opportunities

- Business Rates Retention scheme – Retaining 49% of business rates growth above the baseline funding level and up to 75% from 2021/22.
- New Homes – Entitlement to New Homes Bonus Grant (or successor scheme)and increase in council tax resources.
- Improving the local economy – Potential to reduce Council Tax Reduction caseload and increase business rates and council tax resources.

Appendix 6

Budget 2020/21 Equality Impact Assessments (EIAs) for impacts on Service-Users and Staff: Legal Duties, Process, Assessment and Planned Actions

Summary
The council is legally required under s149 of the Equality Act 2010 to evidence how it has considered its equality duty in its budget-setting process. Evidence can be provided in different forms but it is commonly held across local authorities that the most effective method is the completion of Equality Impact Assessments (EIAs). These have been undertaken on all budget proposals where there may be a potential impact on service-users and on staff, related to their legally protected characteristics.

Members are referred to the full text of s149 of the Equality Act 2010 – included at Appendix A the end of this document – which must be considered when making a decision on the matters set out in this report.

All budget EIAs are available in Appendix 7 and should be considered alongside the relevant budget proposal. Within the EIAs, impacts are identified and mitigating actions proposed, where possible.

This document explains the EIA process, identifies the cumulative impacts across all the proposals relating to service-users, and lists overall planned mitigating actions. The budget reductions will inevitably impact on specific individuals and groups, but the proposed mitigating actions are intended to reduce these as far as possible, with monitoring of actual impact to enable appropriate interventions as proposals are implemented.

Service-User EIAs
In terms of overall assessment of impact, the impacts of 4 EIAs are rated as 1 (the lowest impact out of 5); 3 are rated at 2 (out of 5); and 3 are rated at 3 (out of 5). No EIAs identified impacts at 4 or 5 (the highest impacts).

At this stage, the impacts identified across the budget proposals are on the following groups of service-users:
- Age: younger people and older people
- Disability (including Learning Disabilities)
- Women
- Carers

The mitigating actions identified (in bold) are summarised below (full details in section 4). These will be followed up with the relevant directorates and services:
- **Taking an asset-based approach** - requires an understanding of the different levels of resource and resilience for different groups and individuals.
- **Targeted interventions and prioritisation of support** - must be based on up-to-date information to identify the greatest need and the most effective actions.
- **Close monitoring and evaluation** of service-user experience and progress to identify impacts early and to act on trends.
- **Engagement** - with all stakeholders to influence and communicate changes and enable effective support during transitions.
- **Earlier interventions and preventative work** – EIAs are critical to ensure there are no unintended impacts for individuals or groups.

Budget EIA Cumulative Impacts 2020/21

- **Supporting independence –** working with service-users who are ready to move on to more independence and offering support to people, to enable resources to be redirected.
- **Integration of Health & Adult Social Care** - provides opportunities for more effective and linked-up provision. Ongoing EIAs remain a core need in this process.
- **Reviewing, renegotiating or combining services** – service-users' diverse needs must be embedded in the commissioning process from bidding to monitoring/evaluation.
- **Increasing collaboration between services in the council and with other agencies in the city** – can maximise the impact of services. However, financial pressures can restrict capacity and resource to develop and/or participate in collaborations.
- **Digital inclusion** - can increase convenience, support independence and provide tailored support. However, accessibility and other contact channels must be embedded.

Staff

For all proposals relating to staff, the following mitigating actions will be in place, as well as any service specific actions identified through the service specific staffing EIAs:

- Involve staff in service redesign discussions using the service redesign toolkit.
- Use staffing equalities data to inform decision making.
- Apply the council's policies and procedures equitably and appropriately.
- Review vacant posts, use of agency employees etc. to minimise the impact.
- Manage redeployment on a corporate level.
- Where there may be a reduction of posts consider offer of voluntary severance.
- Where there will be compulsory redundancy ensure that selection processes are clear and unbiased, and that processes take into account any individual needs.
- Ensure processes and criteria related to selection for voluntary redundancy are clear and transparent and use the compensation panel appropriately.
- Ensure managers involved in selection have completed relevant training.
- HR to support and advise managers delivering service changes.
- Offer all employees one to one meetings and relevant transition support.
- Attach the summary EIA to each consultation document, and continue to assess equality impacts through the consultation process.
- Ensure reasonable adjustments are put in place for individual members of staff.

Full details of all impacts and actions are below.

1. Introduction

1.1 This report describes the process of Equality Impact Assessment (EIA) made on the budget proposals for 2020/21 and analyses the findings. The council has legal duties under s149 of the Equality Act 2010 to consider the needs of diverse people in our budget-setting processes and address negative impacts where possible.

1.2 Budget EIAs are an effective way, but not the only form, to evidence how the council is meeting this duty and should be considered by members in decision-making. Budget EIAs are available in Appendix 7.

1.3 The aims of an Equality Impact Assessment become especially important at times of straitened budgets, enabling us to:

- think about what the council is trying to achieve;
- consider what potential impact the decision will have on different groups;
- target resources to those who are most vulnerable;
- fund services which respond to people's diverse needs; and
- save money by getting it right first time.

1.4 This report describes:

- the council's legal duties in the budget-setting process (section 2)
- council-wide cumulative impacts on service-users identified at this stage (section 3)
- the over-arching actions which will be needed to mitigate negative impacts and maximise positive impacts (section 4)
- impacts identified from known data on staff across all proposals, across the council and in specific directorates (section 5)
- council-wide mitigating actions, to reduce/remove negative impacts on staff (section 6)
- the national and local context (sections 7 and 8)
- the council's approach to and aims in EIA as part of decision-making (section 9).

2. Our legal duties

2.1 Under the equality duty set out in s149 of the Equality Act 2010 (Appendix A), public authorities must have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation; to advance equality of opportunity; and to foster good relations between people who share a protected characteristic and those who do not.

2.2 The protected groups covered by the equality duty are: age, disability, gender reassignment, pregnancy and maternity, race/ethnicity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnerships (only in respect of eliminating unlawful discrimination). Assessment has also been included of impacts and actions in relation to child poverty.

2.3 The law requires that public authorities demonstrate that they have paid conscious and rigorous attention to the equality duty aims in their decision-making.

2.4 By law, our assessments of impact on equality must:

- Contain enough information to enable a public authority to demonstrate it has had 'due regard' to the aims of the equality duty in its decision-making;
- Consider ways of mitigating or avoiding any adverse impacts.

2.5 The Public Sector Equality Duty (PSED) does not prevent councils from making difficult decisions such as reorganisations and relocations, redundancies, and service reductions, nor does it prevent decisions which may affect one group more than another group.

2.6 The duty does enable public bodies to demonstrate that they are making financial decisions in a fair, transparent and accountable way. This involves considering the needs and the rights of different members of the community, how impacts will affect them and mitigating negative impacts as fully as possible.

2.7 Nationally, there have been a number of successful legal challenges to funding decisions because public authorities have failed to meet the requirements of s149. In such cases, the public authority may have to start the decision-making process again, with improved consultation and evidence-gathering to identify the impact on particular groups.

> "Even when the context of decision-making is financial resources in a tight budget, that does not excuse compliance with the PSEDs [Public Sector Equality Duties], and there is much to be said for the proposition that even in straitened times the need for clear, well informed decision-making when assessing the impacts on less advantaged members of society is as great, if not greater."
> Blake J in R (Rahman) v Birmingham City Council
> [2011] EWHC 944 (Admin)

2.8 Members are referred to the full text of s149 of the Equality Act 2010 (Appendix A) which must be considered when making a decision on the matters set out in this report.

3. Impacts identified on Service-Users across all proposals

3.1 The EIA process and consultation have identified whether or not impacts are likely to be different for a person because of their protected characteristic (with a focus on where impacts may be worse) and if so, list the proposed mitigating actions.

3.2 There has also been an overall assessment in each EIA of:

- the impact of funding changes from one service on another across the council (cumulative impacts);
- consideration of what mitigating actions can be taken, and how we can monitor, evaluate and take action on impacts which may occur.

3.3 The overall assessment is that the proposals put forward have all been considered within the framework of the council's legal duties under the Equality Act 2010 and due regard has been given to the potential impacts on people linked to or arising from their legally protected characteristics. Given budget reductions there will inevitably be impacts on specific individuals and groups. However, proposed mitigating actions will reduce these as far as possible, and monitoring of actual impact will enable appropriate interventions as proposals are implemented.

3.4 In terms of overall assessment of impact, the impacts of 4 EIAs are rated as 1 (the lowest impact out of 5); 3 are rated at 2 (out of 5); and 3 are rated at 3 (out of 5). No EIAs identified impacts at 4 or 5 (the highest impacts).

At this stage, the impacts identified across the budget proposals are on the following groups of service-users, largely reflecting groups of people who are more likely to be eligible for and use council services:

- Age: younger people and older people
- Disability (including Learning Disabilities)
- Women
- Carers

3.5 The EIAs do highlight concerns about the council's ability to increase equality and inclusion, as prioritised in our Corporate Plan. Therefore, we have identified key activities to ensure continued progress against this aim. More details are below.

4. Service-Users: Proposed Mitigating Actions

4.1 The EIA template highlights where officers identify a cumulative impact linked to other services or the wider local/national context. The Communities, Equality & Third Sector team has also considered all the EIAs to assess where groups may be impacted by more than one change across the council.

4.2 Impacts identified in section 3 (above) are the result of proposed changes to a number of services including some specifically focused on provision for these groups. Specific actions to mitigate as far as possible impacts arising from each proposal are defined within the relevant EIAs. In addition, council-wide mitigating actions are detailed below.

4.3 Overall mitigating actions identified from EIAs:

- **Taking an asset-based approach** - requires an understanding of the different levels of resource and resilience for different groups and individuals.
- **Targeted interventions and prioritisation of support** - must be based on up-to-date knowledge, data and feedback from local groups to identify the greatest need and the best forms of intervention, communications and engagement.
- **Close monitoring and evaluation** of service-user experience and progress to identify impacts early and to act on trends.
- **Engagement** - with service-users, carers, families, CVS groups and other stakeholders to enable people to give views on and influence changes; communicate changes to minimise negative impacts and anxiety; enable effective support during transitions; and understand alternative forms of support for themselves and the service-user.
- **Earlier interventions and preventative work** – proven experience that preventative provision has a positive impact on individuals while saving money. However, when designing preventative services an EIA is critical to ensure there are no unintended impacts for individuals as a result of their shared protected characteristic.
- **Supporting independence –** working with service-users who are ready to move on to more independence and offering support to people, to enable resources to be redirected.
- **Integrated commissioning of Health & Adult Social Care** - provides opportunities for streamlining of more effective and linked-up provision. Ongoing assessment of the equality impacts (by all providers) remains a core need to ensure that services remain accessible, appropriate and effective for everyone.
- **Reviewing, renegotiating or combining services** - creates opportunities for better links between services and a more consistent experience for service-users. It remains vital to be clear that the needs of service-users are as diverse as the service-users themselves and provision must be flexible and responsive and maintain focused interventions where required. Requirements throughout the commissioning process from bidding to monitoring/evaluation must embed these principles.

- **Increasing collaboration between services in the council and with other agencies in the city** – can maximise the impact of services and funding decisions for the benefit of residents. However, financial pressures can restrict capacity and resource to develop and/or participate in collaborations.
- **Digital inclusion** - can increase convenience, support independence and provide tailored support. However, accessibility and availability of other forms of contact must be considered and embedded.

4.4 Other mitigating actions

4.4.1 Ongoing council approaches, such as Equality Impact Assessment and the aims in the council's Equality and Inclusion Strategy are a critical part of minimising or avoiding negative impacts on specific groups protected in law.

4.4.2 Equality monitoring and analysis to evaluate trends and identify actions, and robust equality impact assessments which actively engage stakeholders are fundamental to meeting our legal duties and corporate commitments. Senior managers will continue to have responsibility for overseeing these processes as decisions are made and service changes take place.

5. Staff: Impacts identified across all proposals

5.1 The Human Resources team has assessed the equalities impacts on staff that are known at this stage and EIA templates have been completed for all proposals affecting staff. This process will continue through staff consultation processes to enable staff to raise specific and additional issues.

5.2 Information which might identify individuals has been withheld from this document to protect confidentiality, but all information has been provided to managers and will be used to inform the implementation of agreed proposals.

5.3 For groups of over 20 staff equalities data has been used to assist the identification of potential impacts. Where there are fewer than 20 staff affected data has not been produced to protect the confidential sensitive equalities information provided by staff. EIAs have been completed in these instances with regard to known information about the staff group and proposals made

5.4 The EIA template highlights where officers identify an impact linked to the make-up of the workforce across the Council in terms of protected groups as compared to the make-up of groups affected by the budget proposals. HR has considered all the EIAs, although consideration of potential impacts will need to be kept under review as the detail of some proposals become clearer.

5.5 Potential impacts have been identified based on the fact that some groups that share a protected characteristic are under-represented in the service. These are the impacts identified from known data at this stage. Specific decisions on how to implement budget decisions with impacts on staff will be made after further exploring the equality issues through staff consultation processes.

5.6 It is not currently proposed to change or withdraw any proposal based on potential impact. Because the proposals are broad at this stage many of the actions are

currently generic. The outcome of EIAs will guide the consultation process and inform the implementation of changes.

6 Staff: Council-wide Mitigating Actions:

In addition to the specific mitigations identified in each service area the Council has guidance, procedures and approaches for managing change that are designed to ensure change is managed fairly and groups sharing protected characteristics are not negatively impacted:

6.1 Ensure the council's relevant policies and procedures are equitably and appropriately applied (e.g. redeployment, development of new post details etc) to ensure that no adverse impact is created for employees in minority groups.

6.2 Review vacant posts, use of agency employees etc to minimise the impact on current substantive post holders.

6.3 Where proposals may result in a reduction of posts consider the offer of voluntary redundancy to mitigate the impact of potential compulsory redundancy processes.

6.4 Ensure managers involved in selection have completed corporate recruitment and selection training and signposted to the Equality & Diversity e-learning module.

6.5 Ensure that managers delivering service changes are appropriately supported and advised in relation to all employee equalities.

6.6 Ensure all employees are offered one to one meetings to discuss their circumstances and any concerns they may have.

7. National context

7.1 The budget proposals are being developed within ongoing national changes which may have an equalities impact, including (not exclusively):

- ongoing reductions in public expenditure across most public services;
- Britain leaving the EU; and
- reforms to Adult Social Care and Health.

8. Local context

8.1 The council's priorities defined in 'Our Plan 2020 to 2023' agreed by Policy & Resources Committee in December 2019 are collected within the vision for 'a fairer city, a sustainable future'. The priorities are:

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

These match with the Brighton & Hove Connected priorities for the whole city, as contained in the Sustainable Community Strategy: 'Brighton & Hove: the Connected City'.

8.2 Relevant local priorities and context includes:

- Close partnership working across social care and health both for children's services and adults, particularly through the 'Better Lives, Stronger Communities' integration initiative;
- Using Modernisation Boards across the council to drive service redesign that will lead to greater collaboration with partners and communities to provide better, more joined-up outcomes for everyone;
- A joint approach to public services as a whole for the city through the City Management Board;
- Greater alignment between the development of the medium-term financial strategy and Corporate Plan 2020-2023;
- Proactive work to support financial inclusion and collaborative approach to welfare support across the council and with partners ;
- A strong focus on improving educational attainment and opportunities for access to employment for our young people.

9. Brighton & Hove City Council Approach and Process

9.1 The council most commonly uses a Budget EIA process to screen and identify the main potential disproportionate impacts arising because of people's legally protected characteristics and, for service-users, on child poverty. Where relevant they draw on existing service EIAs.

9.2 The aims of an Equality Impact Assessment become especially important at times of straitened budgets, enabling us to:

- think about what the council is trying to achieve;
- consider what potential impact the decision will have on different groups;
- target resources to those who are most vulnerable;
- fund services which respond to people's diverse needs; and
- save money by getting it right first time.

9.3 Service leads or HR completed EIAs on budget proposals where the proposed changes potentially impact on service provision and/or on staff. The document presented to Members lists all the disproportionate impacts on groups because of their protected characteristic. It also identifies the planned actions to mitigate negative impacts.

9.4 All the EIAs have been reviewed by the Communities, Equality and Third Sector Team and/or Human Resources. The Executive Leadership Team has agreed and supported the process, as well as considering the impacts of specific funding decisions.

9.5 The Human Resources team has assessed equalities impacts on staff arising from the proposals. Information from staff consultation processes was incorporated into these EIAs, where available.

9.6 Since the equality duty is a continuing duty which must be complied with when implementing and reviewing a decision, assessment of equality impacts and responses to them will continue after budget decisions are agreed. Data from these EIAs will also be shared with relevant managers, to enable them to identify the best ways to implement the decisions to minimise negative or disproportionate impacts on legally protected and socially excluded groups.

9.7 All political groups are able to present alternative budget proposals and/or budget amendments. Where substantial alternative proposals or amendments are submitted these will have been screened by officers and advice given as to whether there is any new or additional cumulative equality impact requiring either a revised Budget EIA or a new EIA. Where proposals are not substantial (most amendments), officers will screen the amendment and will normally advise that either an EIA is not required or that an existing Budget EIA remains valid.

Appendix A

149 Public sector equality duty

(1) A public authority must, in the exercise of its functions, have due regard to the need to—

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4)The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) tackle prejudice, and
(b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are—

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;
- sex;
- sexual orientation.

(8) A reference to conduct that is prohibited by or under this Act includes a reference to—

(a) a breach of an equality clause or rule;

(b) a breach of a non-discrimination rule.

(9) Schedule 18 (exceptions) has effect.

Budget 2020/21: Equality Impact Assessments – Service-Users and Staff

The council is legally required by the Equality Act 2010 to evidence how it has rigorously considered its equality duties in the budget-setting process. To achieve this, Equality Impact Assessments (EIAs) have been completed on all budget proposals with a potential impact on service-users and staff, related to their legally protected characteristics.

EIAs assess how proposals may impact on specific groups differently (and whether/how negative impacts can be reduced or avoided) so that these consequences are explicitly considered. Further assessment will be made through the budget consideration process and in relation to implementation, if budget proposals are accepted. An assessment of the cumulative impacts across proposals will also be available with the budget papers for full council in February. Impacts on staff are assessed separately.

Members are referred to the full text of s149 of the Equality Act 2010 – included at the end of this document – which must be considered when making decisions on budget proposals.

Equality Impact Assessments describing impacts on Service-Users		
Directorate	**Service**	**EIA number**
Families, Children & Learning	**Health, SEN & Disability; Children's Disability Service: Residential, respite and short breaks**	**1**
	Adult Learning Disability Assessment: Learning Disabilities Community Care Budget	**2**
	Early Years and Childcare	**3**
	Supported Employment Team, Youth Employability Service and Able and Willing	**4**
	Children's Safeguarding & Care - Children's Placements	**5**
	Safeguarding & Care: Partners in Change Hub	**6**
Health & Adult Social Care	**There are no service-user EIAs required for proposals in these services**	**-**

Economy, Environment, and Culture	**City Transport / Parking Services Group – Concessionary bus passes**	**7**
	City Transport / Parking Services Group – Parking Fees and Charges	**8**
Housing, Neighbourhoods and Communities	**Communities, Equality & Third Sector: Communities Fund**	**9**
Finance & Resources	**There are no service-user EIAs required for proposals in these services**	**-**
Strategy, Legal & Governance	**Democratic Services - Civic Office**	**10**
Equality Impact Assessments describing impacts on Staff		
Directorate	**Service**	**EIA number**
Families, Children & Learning	**Skills and Employment**	**S1**
Health & Adult Social Care	**There are no service-user EIAs required for proposals in these services**	**-**
Economy, Environment, and Culture	**Property & Design: Asset Management**	**S2**
Housing, Neighbourhoods and Communities	**Communities, Equality & Third Sector Team**	**S3**
	Safer Communities	**S4**
Finance & Resources	**There are no service-user EIAs required for proposals in these services**	**-**
Strategy, Legal & Governance	**Democratic Services & Civic Offices**	**S5**
	Performance, Improvement & Programmes	**S6**

The text of s149 of the Equality Act 2010 is at the end of this document.

Families, Children & Learning

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Families, Children & Learning: Health, SEN & Disability - Children's Disability Service**	**2. EIA No. 1**
3. Head of Service	**Carl Campbell, Head of Service 0-25**	
4. Budget Proposal	**What is the proposal?** Residential, respite and short breaks - £20,000 in 2020/21 (current budget - £1,253,000) These savings will be made by: • Review of in-house provision and service users care packages to ensure that the correct young people are being offered a service in the most efficient way • Use of the Extended Day offer by the Education Hubs once this is established • Review of contracts and offer by providers in the Community and Voluntary Sector	
5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics: Age (young people)** Although changes will be made there will be no reduction in residential, short breaks and respite care packages	
6. Assess level of impact (1= low; 5= high)	**1**	
7. Key actions to reduce negative	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?**	

impacts	• Working towards in-house residential, short breaks and respite providers being at normal capacity (not over capacity) • Care planning meetings involving managers from assessor and provider services (including Assistant Director) arranged to review in-house residential, short breaks and respite care packages • Alternative/replacement support options to be available for some young people eg. Direct Payments and Extended Day • Close liaison with parent/carers groups such as PaCC and Amaze in order to improve communication and the co-production of information
8. Full EIA?	Full EIA not required.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** • Impact upon service users will be monitored via Strengthening Families Assessments, Social Care Reviews and EHCP Annual Reviews • Use of data and performance reports to monitor the progress of service users • There will be a particular focus upon the impact on service users who are in care or subject to Child Protection Plans • Head of Service and other managers will monitor the impact upon decision making and care planning for service users
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. • Additional support may not be available to families if there is an inadequate offer by providers in the Community and Voluntary Sector • Changes to in-house residential, short breaks and respite providers are delayed if there is the need to accommodate additional young people on an emergency basis

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Families, Children and Learning: Adult Learning Disability Assessment**	**2. EIA No. 2**
3. Head of Service	**Georgina Clarke-Green, Assistant Director, Health, SEN & Disability**	
4. Budget Proposal	**What is the proposal?** The Financial Recovery Plan proposes a saving of £1,470,000 by reducing the cost of Learning Disabilities Community Care services through a number of targeted strategies: • The 'Move On' project has been very successful in supporting adults with LD to move on from high cost placements into new living arrangements which have enabled them to experience greater independence and control over their lives. It is anticipated that a further saving could be achieved using this strategy whilst maintaining positive outcomes for service users. • Review of the funding source of transport arrangements for clients aged between 18 to 25 attending education provision • Seek appropriate funding for clients from external agencies such as Health, particularly through CHC funding. • Review of existing block contracts for recently outsourced services, in particular through a review of client needs where over provision currently exists, and better utilisation of voids. • Better planning of arrangements for new service users, in particular clients transitioning from Children's social care. The recently established 14-25 social work pod within the service will seek to provide a greater focus on this high cost area. • Use of internal dedicated resource to re-assess direct payment levels. • Utilisation of voids in external contracts. It should be noted that the Learning Disability budget will be supported by additional investment of nearly £2m to cover transitions and growth, which together with inflationary provision will see the overall budget increase by over £1m.	

5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics: Disability (Learning Disabilities), Ethnicity, Gender Reassignment, Sexual Orientation** Vulnerable people in the City are assessed in accordance with the Care Act 2014 to see if their eligible needs need to be met with care and support. 820 adults with a learning disability and / or autism have eligible needs and are currently receiving a service paid for via the Community Care budget. Services being provided are: Residential Care, Supported Living, Community Support and Day Options. Any reduction in the community care budget will have a direct effect on the amount or the way support and care is offered. Care costs are steadily increasing and there is an increasing level of complex needs being identified resulting in higher care costs. This is a trend reflected nationally as well as locally. For people and their families there could be a perceived reduction in the level of service they receive or potentially a change in provider and approach, which can be unsettling for users and families. Specific impacts identified: **Disability**: managing these conversations will require staff to manage any changes in expectations carefully and skilfully. Direct payments must continue to be promoted (Care Act 2014) as a way to deliver more creative and sustainable modes of support and care, which will also be more person centred. **Ethnicity**: People from minority ethnic groups may continue to face disproportionate impacts, for example reduction in budgets for translators or for more in-depth work. **Gender reassignment**: As we are trying to increase engagement with this group, and recent research shows that despite the city being 'trans-friendly, discrimination, abuse and isolation are still a problem, any reduction in funding may impact negatively on any extra initiatives in this area. **Sexual orientation**: Some LGB people still remain silent or hidden. At a time of resource realignment there is a risk that these groups become more distant or marginalised.

	Other groups: People with Learning Disabilities who are in transition from Children's to Adults' services at this time of resource realignment may be adversely affected, as transition can take longer if not managed creatively and resources are not targeted effectively. This can mean young people with Learning Disabilities could experience a delay in accessing services they are entitled to when reaching 18, such as extra benefits. The Care Act 2014 places a requirement on Local Authorities to assess Carers. Work provided by carers in the city is of huge value, representing a huge saving. Any threat including any funding restrictions could have a direct effect on carers to continue in their caring role.
6. Assess level of impact (1= low; 5= high)	**3** There is an obligation to meet statutory need and there is a clear plan to implement a method of operating using the wellbeing and prevention approach as well as an asset based approach to our support and care offer: see below.
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** The Care Act asks for more than just Adult Social Care to look to offer support to people, instead recognising that in a city-wide approach must be embraced, encompassing all services from housing through to leisure, to enhance the lives of vulnerable people. Therefore, a new asset based approach is needed, a fundamental and radical rethink to help develop a new conversation with the public about how people, friends and families as well as communities can help people to remain independent. The integration agenda with health gives opportunities to reduce duplication and work in a more joined-up way to proactively identify those people who may be at risk of going into hospital or residential care and thus manage risk, help people to live life and have a good death. Together we will ensure improvements in consistency particularly around the giving of information and advice to service users in how to access information, and get support to manage their own care needs. We aim to carry this out by: • Providing individuals living with families support to manage and sustain their care arrangements for as

long as possible.

- Ensuring the right level of support takes place in the most appropriate setting; maximising independence, health and wellbeing.
- Continuing to offer personal budgets to clients to meet support needs in cost effective way, and promoting direct payments as a means of stimulating more creativity and choice about how people can meet their eligible needs.

Technology must be available for people to be supported remotely and in a modern way from telecare through to telehealth and other technologies and a raft of equipment which can help people remain independent.

A new reviewing framework will invite our partners to join us in reviewing people in a timely way and is intended to release care capacity and target those most in need. Reviews will also include a focus on readiness to move on to more independence, and therefore release some resources for those who need more support.

New and VFM commissioning of appropriate supported living and accommodation services for people with Learning Disabilities will add to the savings in the long term and increase the quality of life for a small but significant cohort of people.

An enhanced crisis provision service within the Community Learning Disability Team will provide targeted prevention work to the highest need service users in the city, working to prevent hospital admissions and placement breakdowns, which can result in higher cost placements being required in the future.

The Service will comply with the new Accessible Information Standards (S.250) of the Health and Social Care Act 2012.

Commissioners across Children's and Adults' services will work together with providers to prioritise assignment of resources, and ensure that the additional focus on all protected groups can continue.

The recent redesign, integrating Children with Disabilities and Adult Learning Disability services, will create greater focus and efficiencies for young people as they prepare for adulthood.

Feedback from service users and carers about ongoing changes following the model described above has been and contuse to be positive overall. The changes that have been made have not so far impacted on meeting

	eligible statutory need.
8. Full EIA?	Not needed
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** • Service users will have their statutory individual Care Reviews • Contracts will be monitored via the Commissioning and Performance Team
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. Housing is a key player to deliver good support and care. Any significant reduction in access to suitable housing will have a direct effect on the Community Care Budget. Public health as a partner is key in promoting wellbeing and healthy lives: this is critical to stem any future and immediate demand. The CCG are a key partner and currently there are some joint funding arrangements in place to share some community care costs for people being discharged from specialist LD hospitals. Any further reduction in funding from the CCG would have a direct effect on the community care budget.

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Families Children & Learning: Early Years and Childcare**	**2. EIA No. 3**
3. Head of Service	**Caroline Parker**	
4. Budget Proposal	**What is the proposal?** Proposal is to save £32,400 **Year 1 (2020-21)** To introduce **charging for Quality improvement in Learning & Teaching (QuILT) programme for early years providers which are rated good/outstanding by Ofsted and do not have high numbers of disadvantaged children (£5,000).** The risks are that providers will not complete QuILT modules and will consequently offer provision which is less high quality. The most popular module is equal opportunities and so providers not completing this may result in poorer quality for children in this area To start **charging childcare providers for statutory courses** including safeguarding training **(£7,400).** This risk is that fewer providers will attend training and knowledge of safeguarding will reduce. All other courses are already charged for. To **increase funding by (£20,000**) for supporting early years providers from the centrally retained element of the Early Years Block of the Dedicated Schools Grant. This will mean that there is £20,000 less to pass through to early years and childcare providers. This sum amounts to 0.15% of the early years block allocation for three and four year olds. **Years 2-4 (2021-24)** To review and **reduce training and support** for early years childcare providers. The risk is that childcare providers will become poorer quality	
5. Summary of	**Highlight the most significant disproportionate impacts on groups**	

impacts	**Disproportionate impacts identified on the following characteristics: Age (younger people), Sex (women), Child Poverty** 337 delegates attended free safeguarding training in 2018/19 with another 45 attending online training. Thirteen early years settings and six childminders have undertaken QuILT modules since the beginning of 2018, the most popular module being equal opportunities. **Charging for QuILT programme** Most likely to impact smaller childcare providers as they may be unable to pay for quality assurance. **Charging for statutory courses** Greatest impact on smaller childcare providers with fewer resources to pay for training. Impact on children as providers not accessing training will be less skilled in safeguarding. **Contribution from the early years block** This will mean that there is less money to pass through to early years providers. Providers in Brighton & Hove already have one of the lowest funding rates for three and four year olds in the south east and this ongoing difficulty threatens the sustainability of provision, particularly amongst small voluntary sector providers who have no opportunity to increase income through charges to parents. **Reducing training and support** Poorer quality in sector, more closures, less choice for parents.
6. Assess level of impact (1= low; 5= high)	**3**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** • Support women who lose jobs in childcare as a result of closures to find employment elsewhere in the sector through our job vacancy service • Refer women to Family Information Service if they need to make new childcare arrangements because of closures • Continue to target training and quality support to settings with most disadvantaged children

8. Full EIA?	No further assessment needed.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** • Monitoring access to training by all settings in the city • Monitoring impact on safeguarding at early years settings • Monitoring quality of settings throughout the city
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. None identified

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Families, Children and Learning: Employment and Skills**	**2. EIA No. 4**
3. Head of Service	**Carla Butler (Acting Head of Service)**	
4. Budget Proposal	**What is the proposal?** Use the savings proposal wording and more detail if needed A saving of £102,000 across the Supported Employment Team, Youth Employability Service and Able and Willing Placement Scheme. The total current budget for this service is £828,000. The Youth Employability Service (YES) has been very successful in ensuring that the number of young people not in education, employment and training in Brighton & Hove is relatively low. This means that young people have a good start on their employment journey. In January 2019, The Children and Young People and Skills Committee agreed that the future delivery model of Able & Willing be changed to a rolling work placement programme matching suitable placements within council services for candidates who are disabled. The council's Supported Employment Team (SET) work with local people who have disabilities, including learning disabilities, helping them seek and maintain employment. Although there is no statutory requirement to deliver the SET services, there is an ongoing administration commitment to support those furthest from the labour market into work. At budget council in February 2018 an additional pot of funding was allocated to support those aged 18-24 into work. The team provides support to the employee, the employer and work colleagues through training, job coaching and advice. The SET work much closer with the YES to deliver the council's objective to target young people with SEND, in order to increase the percentage who are able to access sustainable employment. It is proposed that savings will be identified through a redesign of these services.	
5. Summary of	**Highlight the most significant disproportionate impacts on groups**	

impacts	**Disproportionate impact on Age (Young People), Disability and Carers, Children in Care and Care Leavers** The Youth Employability Service works with people aged 16 to 24. The Supported Employment Team works specifically with people of all ages who have Special Educational Needs and Disabilities. Carers also access the service on behalf of a young person or adult. There is also potential for impact in the Virtual School support. Details of the service redesign are not certain at this stage: a full EIA will be completed to inform this.
6. Assess level of impact	**3**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** The service redesign will aim to minimise impacts on service-users, by reviewing management structures, systems and infrastructure, to identify opportunities for closer alignment of these services and reduce any duplication. There are other organisations in the city working with these cohorts, so if capacity to support individuals were reduced the service would refer to other suitable providers, appropriately. Priority will be given to protect services for Children in Care, Care Leavers and young people with SEND.
8. Full EIA?	A full EIA will be completed to inform the service-redesign
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?**

	Record data of clients supported and destinations in relation to moving away from being NEET. There is a KPI in the team measuring people who are Not in Education Employment and Training and adults with Learning Disability in employment. Continue to monitor statutory returns which oversee outcomes for these cohorts.
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. None identified.

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Early Years and Childcare: Children's Safeguarding & Care - Children's Placements**	**2. EIA No. 5**
3. Head of Service	**Deb Austin, Assistant Director**	
4. Budget Proposal	**What is the proposal?** A £907,000 saving on the cost of placements for children in the care of Brighton & Hove City Council. This will be achieved by via: • Further embedding on the model of social work practice, in particular Lead Practitioners within the Partners in Change Hub, to enable more children to be safely supported within their families resulting in a further decrease in the number of Children in Care. Since October 2015 CIC numbers have reduced by 19% and this reduction continues. • Further increasing the number of in-house foster placements and reducing reliance on more expensive independent provider provision. • Provision of high quality, value for money provision though contracted services with external providers supported by the children's services framework contract arrangements and preferred provider guidelines. • Relationship based social work practice and the specialist adolescence service to continue to divert children from the care system. • For those already in care, a stepping down to in house and/or less expensive placements. • Continued scrutiny of placement costs contributing to a reduction in unit costs. • Review of SGO allowances and reducing child benefit amounts to bring payments in line with East & West Sussex.	
5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics:** Brighton & Hove City Council has a statutory duty to provide alterative care for children who otherwise would suffer significant harm if left in the care of their family. These proposals would not impact upon the threshold for children to come into the care system. The savings are primarily related to reducing the cost of placements by	

	providing in-house alternatives rather than more expensive agency placements and by supporting families, in the wider sense, to provide safe and effective care so their children can remain in their care.
6. Assess level of impact (1= low; 5= high)	**1**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** Continuing the actions defined in the new model of practice, which are proving effective: • Continued embedding of relationship-based practice with a focus on a proportionate, strengths-based approach, monitored via Quality Assurance activity and scrutinised via FCL Performance Board. • Continuation of Entry to Care Panel chaired by Assistant Director to ensure that those children who need to be in the care of the Local Authority receive a timely and effective response
8. Full EIA?	No
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** • An ongoing evaluation of the model of practice is in place, which oversees the quality of services provided to children in need. • Regular quality assurance activity takes place which is overseen by FCL Performance Board, chaired by Executive Director for FCL • Entry to Care Panel, chaired by Assistant Director Children's Safeguarding & Care, will continue to ensure that children who need to be placed in LA care receive a timely and effective service.
10. Cumulative	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.

impacts	Increasing social work demand due to unforeseen social, policy or demographic changes could increase the impact of these proposals. The impact of growing levels of inequality, including changes to benefits, within Brighton & Hove alongside decreasing access to services to mitigate levels of inequality, could lead to greater levels of demand upon social work services.

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Families, Children & Learning: Safeguarding & Care**	**2. EIA No. 6**
3. Head of Service	**Tom Stibbs**	
4. Budget Proposal	**What is the proposal?** Savings from re-commissioning the budget for the Partners in Change Hub of £75,000. This is made up of £25,000 from ending the payment to Oasis for a secondment for a substance misuse worker to support the Looking Forward project. The Looking Forward project was set up to support vulnerable adults whose children had been placed in permanent alternative care with the aim that they would not go on to have further children placed in care. This project will not continue in its current form next year. It is proposed that the funding for the Chance 2 Change programme, which is a group programme for domestic abuse perpetrators, is reduced by £50,000 in 2020/21. This is approximately a reduction in the budget for 2019/20 by a third. In the year 2018/19 around 25 people were in the programme. As part of this proposal we will consider providing more individual support for perpetrators in the place of group work.	
5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics: Sex (women)** The Looking Forward project has mainly supported women and so the loss of this service will have a greater impact on women. The loss or reduction of a domestic violence and abuse perpetrator programme will have a specific impact on men in terms of reduced opportunities to hold perpetrators accountable and provide effective interventions to change their behaviour and for women and girls in terms of the disproportionate risk to them as victims of domestic violence and abuse.	

6. Assess level of impact (1= low; 5= high)	**2**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** • To work with commissioners and other agencies in the city to consider how support is provided to vulnerable adults with multiple needs. To make sure that the Partners in Change Hub works with social workers to help vulnerable adults who are no longer caring for their children to accept help. • To make sure that the Partners in Change Hub provides support to social workers to work with perpetrators of domestic abuse in a flexible way that engages them and allows their violent behaviour to be addressed in a safe way. This may also enable opportunities for interventions that can support perpetrators who share different protected characteristics. • To continue to work with commissioners and providers across Sussex to develop aligned programmes and 1:1 work that engage more men more flexibly and that include engagement with men who have been sentenced, those who have substance misuse issues, fathers and with different forms of domestic violence and abuse. As part of this to make sure that protective partners and the victims of domestic abuse are provided with support to prioritise victim safety. • To work with commissioners and other agencies in the city to consider how support is provided to vulnerable adults with multiple needs. To make sure that the Partners in Change Hub works with social workers to help vulnerable adults who are no longer caring for their children to accept help.
8. Full EIA?	Not needed
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** The changes to the Chance 2 Change programme will be monitored and the individual work that is being proposed, 'Safer Relationships', is part of an independent evaluation by the University of Sussex.
10. Cumulative	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts.

impacts	Services to support the victims of domestic abuse across Sussex are being re-commissioned for 2020 and it is possible that changes to these services could impact on the changes in this proposal as could changes to other programmes that support domestic abuse perpetrators in the city. The Principal Social Worker will be a member of the group overseeing the new commissioning process.

Health and Adult Social Care

No service-user EIAs are required for proposals from these services.

Economy, Environment and Culture

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Economy, Environment and Culture: City Transport / Parking Services Group – Concessionary Travel**	**2. EIA No. 7**
3. Head of Service	**Charles Field**	
4. Budget Proposal	**What is the proposal?** **Renewal of Concessionary Travel deal from April 2020 for a three year period.** BHCC has a statutory obligation to provide disabled and older persons (above state pension age of a woman) concessionary travel passes to those eligible[1] and reimburse operators for journeys taken by pass holders. The current 3 year fixed deal runs out on 31st March 2020 and we are working on a new fixed deal with Brighton & Hove Bus Company (who have the vast majority of bus trips within Brighton & Hove) The proposed fixed deal, whilst expanding the scheme for disabled pass holders, will save £500,000 per annum from the 2020/21 Parking Services budget. The potential saving on a fixed deal is £300,000 saving per annum for 3 years and £200,000 each year from not requiring 2% inflationary increase due to fixed deal. If we cannot make an agreement with the Brighton & Hove Bus & Coach Company (BHBCC) then we would need to go down the route of reimbursement through the DfT calculator. However, this would put £200,000 of the £500,000 of the required savings at risk as we would be required to keep the 2% inflationary increase for the reimbursement based on actual journeys.	

[1] Those eligible include anyone who is resident in the city over the pensionable age of a woman and those disabled people who fit the following criteria. Blind or partially sighted, severely or profoundly deaf, without speech or have a disability or have suffered an injury which has a substantial and long-term adverse effect on the ability to walk. Or the applicant is in receipt of the Higher Rate Mobility Component of Disability Living Allowance or 8-12 points in the 'Moving Around' descriptor of Personal Independence Payment (PIP), been awarded a blue badge or war pensioners allowance, a lump sum benefit under the Armed Forces and Reserve Forces (Compensation) Scheme

	Currently non- residents can travel between the statutory times of 9.30am- 11pm weekdays & all day weekends and bank holidays. Brighton & Hove residents are currently allowed to start their journey in the boundaries of Brighton & Hove between 9.00am -3.59am weekdays and all day at weekends. The technology is already in place and working to differentiate between passes of residents and non-residents. • We are proposing that negotiation with BHBCC takes place to allow resident disabled card holders to travel for 24 hrs as part of the negotiations for a new deal. However, it is necessary for us to commit to continuing this for a further 3 years. • Disabled pass holder travel time for Brighton & Hove residents is being proposed to extend to allow travel 24/7 (this would increase access between 4am-9am weekdays) from April 2020 for a minimum of 3 years. • This will put us in line with the times: West Sussex County Council are offering disabled card holders. • Older persons and non-resident Concessionary Travel conditions will remain the same Final approval at Policy & Resources Committee is required before 1st April 2020.

5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups**
	
	Disproportionate impacts identified on the following characteristics: Age (older people), Disability, Carers
	
	The benefits for our 6655 disabled pass holders outweigh the cost, this is demonstrated by how it will support many strategies including:
	
	• The corporate vision;
	  ○ A city working for all
	  ○ A stronger city
	  ○ A growing and learning city
	  ○ A sustainable city
	  ○ A healthy and caring city
	• Supports the Council's Equalities and Inclusion Policy Statement and Strategy aims.
	• Our customers have told us that they are working part time in low paid jobs due to their disabilities and paying the additional bus fare to get to work first thing in the morning is a real barrier to them working.
	• It supports disabled parents who are taking their children to school by bus when they are unable to walk.

6. Assess level of impact (1= low; 5= high)	**1**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** Independent Travel Trainer (Access Project) – helping children with disabilities achieve travel independence. The council are also subsidising a small amount of children with concessionary travel passes with extra commercial bus passes to get them to school. We can see from our journey analysis that children and young adults use their bus passes heavily at 3pm, but not in the mornings. Older people may apply for disabled cards to get this additional benefit we cannot stop them from doing this. In comparison to other West Sussex and looking at population vs how many disabled bus passes are already on issue to older people we predict the increased disabled cards on issue will be inconsequential.
8. Full EIA?	Not required. Work has already been completed with the Communities, Equality & Third Sector Team to inform the development of this 24-hour disabled pass scheme.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** 94% of all concessionary journeys are taken on Brighton & Hove Bus and Coach Company who we are in a fixed deal with until April 2020. This fixed deal is based on a projection of 9,549,760 journeys taken by concessionary travel pass holders for the financial year. Our analysis indicates there will be 171,000 pa journeys taken between 4am-9am. These are not all additional generated journeys as it does not allow for people who have simply changed their travel time from after 9am to before 9am. We will make more of the data we have. We will analyse it so it informs service planning and delivery; helps us identify who is and is not accessing our services; and to identify who could be getting more from them.

10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Increased parking fees & charges may encourage more bus use as a free travel alternative. Equally parking surplus from increased parking fees will pay for concessionary travel

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Economy, Environment and Culture: City Transport / Parking Services Group**	**2. EIA No. 8**
3. Head of Service	**Charles Field**	
4. Budget Proposal	**What is the proposal?** **Parking Fees & Charges (Raising by an average 5.4%)** • Raising price of first resident permits – Not raising quarterly prices to reduce costs to those who find the upfront annual costs more difficult. • Raising price of 2nd / Additional resident permits by means of an additional surcharge. • Increasing selected tariffs on seafront tariffs. • Increasing price of Traders Permits and including monthly, weekly and daily (removing waiver) options • Raising price of Doctors permit but allow them to use parking bays with same rule as business permit as well as doctors bays. • Increases to Business permits. • Increase price of resident visitor permits in Zone B & D (event day schemes) alongside setting £50 charge for Guest permits. • Increase price of car club permits (any vehicle). • Increasing selected tariffs in off street car parks by 2.6% to 25%. (Trafalgar Street and London Road would remain same prices as underachieving slightly currently) Black Rock, King Alfred, Norton Road, Regency Square and other off street Car Parks. • Increasing hours of King Alfred and Black Rock Car parks from finishing at 6pm to 8pm. • Increase allocation of business permits. The increases amount to approximately £1,360,000 per annum and will meet traffic management objectives, including improving air quality, reducing demand and congestion as well as achieving a higher turnover of spaces and supporting economic growth in the city.	

5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics: Age (older people), Disability, Carers** Any increase in price for fees and charges allows for a decrease in demand from users. Members of the public may choose not to pay to park on or off street due to price increases. This could lead to inclusion issue with impacts on lower income residents as the amount they pay to park on and off street would increase. However, these proposals are in line with transport objectives of supporting sustainable transport options and reducing vehicles. This may mean carers have to pay more if they live in a different parking zone to the person they visit although there are carers' permit or visitor permits available. The proposed increases in visitor permits is more reflective of high demand for parking on event days near the AMEX Stadium and will reduce demand of on-street parking. The visitor permit remains good value to park within the restricted hours. The increase in hours of the King Alfred and Black Rock Car parks may have an impact on all users to local facilities as they would need to pay to park between 6pm and 8pm.
6. Assess level of impact (1= low; 5= high)	**2**
7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** Officers will work to ensure any increase in fees will avoid negative impacts as much as possible. Fee increases are targeted at areas where parking is at capacity to help provide drivers with better access to currently congested areas. In terms of resident permits the proposals keep quarterly prices the same where possible to reduce costs to those who find the upfront annual costs more difficult.

	The ongoing work identifying Blue Badge fraud frees up parking spaces for eligible blue badge holders and we will continue with Blue Badge fraud investigation work to protect disabled bays from misuse. The cost of professional carers' permits and carers' permits remain unchanged to reflect the positive impact this brings to all members of society. We will be looking to see if this can be advertised through the new One Account IT system when operational and other options such as through the Carers' Centre. Any surplus parking income is mainly spent on providing free bus passes for older and disabled people to encourage alternative sustainable transport choices.
8. Full EIA?	Not required.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** Regular review meetings are held to review on-street and off-street parking usage. Parking Services have applied for and been awarded People's Parking accreditation. This scheme was set up by Helen Dolphin MBE, a disability rights campaigner, to provide independent feedback about the facilities and public car park experience from a disabled user perspective, with regular monitoring and reviews. Parking Services have also received Park Mark accreditation from the police for our off-street car parks as safe car parks to use. It is nationally recognised and we receive significant feedback that we were chosen via the Park Mark website. Parking Services produce an annual Parking Annual Report providing transparency and meaningful insight into the overall service including how and where funding is raised and distributed. The Service has recently, for the fourth time, been awarded Parking Report of the Year for their work in this area.
10. Cumulative	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?**

impacts	The proposal to expand the scheme for disabled passes within the new concessionary travel will mitigate some of the impacts from increases to fees & charges by encouraging / improving access to public transport use.

Housing, Neighbourhoods & Communities

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Neighbourhoods, Communities and Housing/Communities, Equality and Third Sector Team**	**2. EIA No. 9**
3. Head of Service	**Emma McDermott**	
4. Budget Proposal	**What is the proposal?** Use the savings proposal wording and more detail if needed Reduction in the Communities Fund by £10,000. The Communities Fund provides an annual fund for grassroots activity, growing third sector resilience, and pump priming collaborations to respond to gaps in and improve service provision.	
5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** No specific disproportionate impact identified. The Fund support projects that contribute to the following outcomes: promoting fairness, improving well-being and building cohesion. This is not specific to any one protected characteristic.	
6. Assess level of impact	**1**	
7. Key actions to reduce negative	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?**	

impacts	When applying the saving consideration will be given to trying to ensure that whilst all protected characteristic may be affected the reduction does not unfairly affect one protected characteristic more than another.
8. Full EIA?	Not needed.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** Through monitoring number and diversity of successful applicants.
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. None identified.

Finance & Resources

No service-user EIAs are required for proposals from these services.

Strategy, Governance & Law

Budget Equality Impact Assessment Template 2020/21 – Service-Users

1. Service Area	**Strategy Governance & Law: Democratic Services - Civic Office**	**2. EIA No. 10**
3. Head of Service	**Abraham Ghebre-Ghiorghis / Mark Wall**	
4. Budget Proposal	**What is the proposal?** A saving of £59,000 against an overall budget of £699,000 is proposed for 2020/21 from the Democratic Services and Civic Office teams.	
5. Summary of impacts	**Highlight the most significant disproportionate impacts on groups** **Disproportionate impacts identified on the following characteristics: none specifically identified** From a review, a revised structure to reduce overall number of posts down to 8 in the Democratic Services Team. This will impact on the level of support to the committee process and require a change in working processes to ensure that all meetings can be effectively managed and statutory deadlines maintained. There will be a need for the use of electronic agendas to be fully embraced by elected Members and the adoption of the i-Casework system for councillors' casework. A reduction in staff will contribute the overall savings target to be met; but will impact on the level of support available to the civic office and the Mayor. There may be potential impacts on capacity to form working groups, which may mean that residents see a delay in Members' addressing case work or impact on Members' ability to consider and respond to city-wide issues.	
6. Assess level of impact (1= low; 5= high)	**2**	

7. Key actions to reduce negative impacts	**What actions are planned to reduce/avoid negative impacts and increase positive impacts?** • Democratic Services Officers will work with Members to enable greater flexibility and use of their tablet devices for agendas and committee papers, and with officers to ensure that they are more self-confident in using the report management system on the wave. • A reduced number of hard copies of papers will be made available to those Members who require them, although it is hoped that as they become more adept at using their mobile devices in meetings, this need will decrease. • Continual training on the use of the ModGov app and i-Casework system will be offered to Members and Officers as well as refresher training to officers for the report management system.
8. Full EIA?	A review of the roll-out of mobile devices will take place early in the new year and additional support provided as needed.
9. Monitoring and Evaluation	**How will you monitor the impact of this proposal and the success of your mitigating actions on these groups over the coming year (or more)?** A review after each committee cycle will be undertaken to identify how many users are making use of the electronic agendas/papers and further training and help will be directed to those still taking hard copies.
10. Cumulative impacts	**Might related proposals from other service areas (or other changes) worsen or mitigate impacts from your proposal?** Please explain these impacts. The use of mobile devices will depend on sufficient Wi-Fi connections being available in council buildings and alternative provision may need to be available if it was to fail.

Budget 2020-21: Equality Impact Assessments – Staff

	EIA Proposal	
EIA S1	**Families, Children & Learning: Skills & Employment** The team provides support to the employee, the employer and work colleagues through training, job coaching and advice. The Supported Employment Team works with the Youth Employability Service to deliver the council's objective to target young people with SEND, in order to increase the percentage who are able to access sustainable employment. In the Council's budget proposals for 2020/2021 it is proposed that savings will be identified through a redesign of these services, including rationalising the management arrangements across the 2 services.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
In broad terms the proposal to reduce staffing has the potential to have an impact on the following protected characteristics: • Age • Disability • Ethnicity • Sex • Sexual Orientation • Religion/Belief	**Age**: Council targets for age have not yet been established. The age distribution of staff in the service is broadly similar to the Council albeit with a greater proportion in the 45-54 age group. Any reduction in staff could affect the age distribution. **Disability**: The council is just below the disability target of 8%; the directorate is materially below target at 6.43%. The service area is much higher than the Council or directorate average, at 11.11%. Therefore the proposals could have a disproportionate impact on disabled staff. Disabled employees may be more likely to: • Experience barriers to accessing information and getting their views heard. • Suffer from a possible lack of employer	**Age**: 1. Offer all employees job application and interview support. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. **Disability**: 1. Ensure that all appropriate reasonable adjustments are made for disabled employees. 2. Utilise the support of appropriate non-council agencies to support employees where appropriate and necessary. 3. Positive action including skills interview training and internal coaching. 4. Review communications approach options (plain English etc) and monitor engagement..

	awareness and information regarding disability. Note: 18.18% of employee disability data is not known in the service area The analysis above is based on declared data only. **Ethnicity**: The council is below the BME target however the directorate is just above target. The council and the directorate are below the White Other group target. The service area employs significantly below the average BME employees compared to the council and the directorate as a whole and is therefore also below the target. The number of BME staff could be eroded further there are reductions in staff. Employees from ethnic minority groups are more likely to: • Experience language barriers. • Suffer from a possible lack of employer awareness and information regarding ethnicity. Note: 4.55% of staff are unknown. The analysis above is based on declared data only. **Sex**: The council and the directorate are below the male employee target with the directorate being significantly so. The profile of the staff in this service is similar with more emale staff than the directorate average. If male staff are either redeployed or made redundant this would further erode this under-represented group.	**Ethnicity**: 1. Positive action to include training on interview skills, coaching and signposting to BME Workers' Forum. 2. Review communications approach options (plain English etc) and monitor engagement. **Sex**: 1. Positive action to include training on interview skills 2. Support to part-time staff in identifying opportunities and consideration of other roles as job share roles.

	Religion & Belief: Council targets for religion/belief have not yet been established. Compared to the council and directorate the number of staff in the service declaring they have no religion is above average. Note: 9.09% of religion/belief employee data is not known in the service The analysis above is based on declared data only **Sexual orientation**: The council and directorate are all below the LGB employee target, and the service area is significantly below target. If LGB staff are either redeployed or made redundant as this would further reduce this under-represented group. LGB employees groups may be more likely to suffer from a possible lack of employer awareness and information regarding LGB issues. Note: 13.64% of sexual orientation employee data is not known. The analysis above is based on declared data only.	**Religion & Belief:** 1. Positive action to include training on interview skills **Sexual orientation**: 1. Positive action including skills interview training and internal coaching as well as signposting to LGBT Forum

Budget 2020-21: Equality Impact Assessments – Staff

	EIA Proposal	
EIA S2	**Economy, Environment & Culture: Property & Design – Asset Management** £69,000 savings have been identified from staffing due to the restructure of Property & Design services to form a combined strategic Estate & Asset Management property team, transferring other asset management functions to the relevant property teams & achieving operational benefits identified as part of the 2019 Property & Design Service Review.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
Note: As not more than 20 employees are affected, to preserve employee confidentiality, no employee equalities data has been gathered or analysed from the council's employee database. Comments are based on evident information.	We know in the council as a whole and in the EEC Directorate that a number of groups of people who share protected characteristics are under-represented. This is also the case in the Property & Design team, with the exception of White Irish profile exceeding the council target.	No specific mitigation: Council policies and support processes to be equitably applied. Including: 1. Offer all employees job application, interview and other support as needed. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. 3. Ensure that all appropriate reasonable adjustments are made for disabled employees as required during and after the restructure process. 4. Sign posting staff to appropriate forums (BME, LGBT, women, disability and carers) 5. Review communications approach options (plain English etc) and monitor understanding. 6. Support to part-time staff in identifying opportunities and consideration of other roles as job share roles as needed.

Budget 2019-20: Equality Impact Assessments –Staff

	EIA Proposal	
EIA S3	**Housing, Neighbourhoods & Communities: Communities, Equality & Third Sector Team** The service needs to make savings of £114,000. Part of these savings will be met by a service redesign and staff consultation across the Communities, Equalities and Third Sector structure will be carried out, with due regard to the council's priorities for supporting a diverse and welcoming city, those most affected by austerity and community wealth building as well as ensuring the council meets its legal obligations under the Public Sector Equality Duty.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
Note: As not more than 20 employees are affected, to preserve employee confidentiality, no employee equalities data has been gathered or analysed from the council's employee database. Comments are based on evident information.	We know in the council as a whole and in the directorate that a number of groups of people who share protected characteristics are under-represented. In Housing, Neighbourhoods and Communities, this is the case for BME and White Other staff.	No specific mitigation: Council policies and support processes to be equitably applied. Including: 1. Offer all employees job application, interview and other support as needed. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. 3. Ensure that all appropriate reasonable adjustments are made for disabled employees as required during and after the restructure process. 4. Sign posting staff to appropriate forums (BME, LGBT, women, disability) 5. Review communications approach options (plain English etc) and monitor understanding. 6. Support to part-time staff in identifying opportunities and consideration of other roles as job share roles as needed.

Budget 2020-21: Equality Impact Assessments – Staff

	EIA Proposal	
EIA S4	**Housing, Neighbourhoods & Communities: Safer Communities** As part of the council's budget strategy, Safer Communities have been asked to save £170,000. In order to achieve these savings, the service is deleting vacancies (savings £91,000) and is currently offering VS with proposals to delete vacancies and offer voluntary severance (£79,000). These proposals will ensure that savings are made with a minimal impact on staff.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
In broad terms the proposal to reduce staffing has the potential to have an impact on the following protected characteristics: • Age • Disability • Ethnicity • Sex • Sexual Orientation • Religion/Belief	**Age**: Council targets for age have not yet been established. The age distribution of staff in the service is broadly similar to the Council albeit with a greater proportion in the 45-54 age group. Any reduction in staff could affect the age distribution. **Disability**: The council is just below the disability target of 8%; the directorate is above target at 10.58%. The service area is higher than the Council or directorate average, at 10.61%. Therefore the proposals could have a disproportionate impact on disabled staff. Disabled employees may be more likely to: • Experience barriers to accessing information and getting their views heard. • Suffer from a possible lack of employer awareness and information regarding	**Age**: 1. Ensure there are opportunities in the consultation process for staff to raise any issues relating to age. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. **Disability**: 1. Ensure that all appropriate reasonable adjustments are made for disabled employees. 2. Ensure there are opportunities in the consultation process for staff to raise any issues relating to disability. 3. Review communications approach options (plain English etc) and monitor understanding.

	disability. **Ethnicity**: The council is below the BME target and the directorate is also below target. The service area employs roughly the same average BME employees as the council and the directorate as a whole and is therefore also below the target. The number of BME staff could be eroded further if there are reductions in staff. Employees from ethnic minority groups are more likely to: • Experience language barriers. • Suffer from a possible lack of employer awareness and information regarding ethnicity. **Sex**: The council and the directorate are below the male employee target. The profile of the staff in this service is similar with more female staff than the directorate average. As male staff are under-represented this could further widen the gap. **Religion & Belief**: Council targets for religion/belief have not yet been established. Compared to the council and directorate the number of staff in the service declaring they have no religion is above average. **Sexual orientation**: The council is below the LGB employee target, but the directorate and service area are significantly above. LGB employees	**Ethnicity**: 1. Ensure there are opportunities in the consultation process for staff to raise any issues relating to ethnicity. 2. Review communications approach options (plain English etc) and monitor engagement. **Sex**: 1. Ensure there are opportunities in the consultation process for staff to raise any issues relating to gender. 2. Consider reasonable adjustments for caring responsibilities. **Religion & Belief:** 1.Ensure there are opportunities in the consultation process for staff to raise any issues relating to religion and belief. **Sexual orientation**: 1. Ensure there are opportunities in the consultation process for staff to raise any issues relating to sexual

	groups may be more likely to suffer from a possible lack of employer awareness and information regarding LGB issues. Any cut in staffing could affect the representation of LGB workers in this area	orientation

Budget 2020-21: Equality Impact Assessments – Staff

	EIA Proposal	
EIA S5	**Strategy, Governance & Law: Democratic Services and Civic Office** Savings of £59,000 have been identified across the service. In order to achieve these savings a service redesign has taken place which will reduce the number of posts, requiring a change in working practices to ensure that all meetings can be effectively managed and statutory deadlines maintained.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
Note: As not more than 20 employees are affected, to preserve employee confidentiality, no employee equalities data has been gathered or analysed from the council's employee database. Comments are based on evident information.	We know in the council as a whole and in the directorate that a number of groups of people who share protected characteristics are under-represented. This is also the case in the Strategy, Governance and Law Directorate	No specific mitigation: Council policies and support processes to be equitably applied. Including: 1. Offer all employees job application, interview and other support as needed. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. 3. Ensure that all appropriate reasonable adjustments are made for disabled employees as required during and after the restructure process. 4. Sign posting staff to appropriate forums (LGBT, women, disability/carers, BME) 5. Review communications approach options (plain English etc) and monitor understanding. 6. Support to part-time staff in identifying opportunities and consideration of other roles as job share roles as needed.

Budget 2020-21: Equality Impact Assessments – Staff

	EIA Proposal	
EIA S6	**Strategy, Governance & Law: Performance Improvement and Programmes** As part of the budget proposals, savings of £49,000 are required from core funding, in addition, the amount given for the modernisation funding for the next four years starting from 2020/21 is reduced by £219,000. Proposals to reduce the number of Programme Manager and Performance Analyst posts across the service have been put forward.	
Groups potentially impacted	**Impacts identified**	**Specific Mitigating Actions (in addition to the generic actions identified above)**
Note: As not more than 20 employees are affected, to preserve employee confidentiality, no employee equalities data has been gathered or analysed from the council's employee database. Comments are based on evident information.	We know the council as a whole and in the directorate that a number of groups of people who share protected characteristics are under-represented. This is also the case in the Strategy, Governance and Law Directorate	No specific mitigation: Council policies and support processes to be equitably applied. Including: 1. Offer all employees job application, interview and other support as needed. 2. Consider the need for appropriate support and training to re-skill employees in new working methods. 3. Ensure that all appropriate reasonable adjustments are made for disabled employees as required during and after the restructure process. 4. Sign posting staff to appropriate forums (LGBT, women, disability/carers, BME) 5. Review communications approach options (plain English etc) and monitor understanding. 6. Support to part-time staff in identifying opportunities and consideration of other roles as job share roles as needed.

Equality Act 2010: section 149 Public Sector Equality Duty

(1) A public authority must, in the exercise of its functions, have due regard to the need to—

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

(2) A person who is not a public authority but who exercises public functions must, in the exercise of those functions, have due regard to the matters mentioned in subsection (1).

(3) Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
(b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
(c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

(4)The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

(5) Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to—

(a) tackle prejudice, and
(b) promote understanding.

(6) Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

(7) The relevant protected characteristics are—

- age;
- disability;
- gender reassignment;
- pregnancy and maternity;
- race;
- religion or belief;

- sex;
- sexual orientation.

(8) A reference to conduct that is prohibited by or under this Act includes a reference to—

(a) a breach of an equality clause or rule;

(b) a breach of a non-discrimination rule.

(9) Schedule 18 (exceptions) has effect.

POLICY & RESOURCES COMMITTEE	Agenda Item 128 Brighton & Hove City Council

Subject:		**Targeted Budget Management (TBM) 2019/20: Month 9 (December)**		
Date of Meeting:		**13 February 2020**		
Report of:		**Acting Chief Finance Officer**		
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 Targeted Budget Monitoring (TBM) report is a key component of the council's overall performance monitoring and control framework. This report sets out the forecast risks as at Month 9 (December) on all of the council's revenue and capital budgets for the financial year 2019/20.

1.2 As set out in the General Fund Revenue Budget 2019/20 report to Budget Council, £11.567m was provided for in the budget for investment in identified service pressures across social care and £3.194m for pressures in other services. These sums were expected to meet identified demand-led, cost and income pressures in 2019/20. However, excluding EU withdrawal funding, the council set aside risk provisions of £0.855m to mitigate potential demand risks and/or any difficulties in delivering savings targets. This risk provision is held as a one-off "financial risk safety net" as part of general reserves. To date, £0.050m has been allocated which leaves £0.805m available.

1.3 The forecast risk for 2019/20 at Month 9 has reduced since Month 7 to a projected £3.355m overspend on the General Fund revenue budget. This includes a forecast underspend of £0.137m on the council's share of the NHS managed Section 75 services. As noted above, the council has an £0.805m one-off financial risk safety net available to mitigate the projected forecast risk. After taking this into consideration, the council's financial position remains challenging and therefore temporary spending and vacancy controls will remain in place across non-statutory services to aid financial recovery and ensure the position continues to improve over the remainder of the financial year.

1.4 The report also indicates that a significant element of the substantial savings package in 2019/20 of £12.236m is expected to be deliverable with £11.223m either achieved or anticipated to be achieved. Savings at risk (£1.013m) are included in the overall service forecasts.

2 RECOMMENDATIONS:

2.1 That the Committee note the forecast risk position for the General Fund, which indicates a budget pressure of £3.355m. This includes an underspend of £0.137m on the council's share of the NHS managed Section 75 services.

2.2 That the Committee note that the one-off financial risk safety net of £0.805m is available to mitigate the forecast risk if the risks cannot be completely eliminated by year-end.

2.3 That the Committee note that further proposals for managing the current forecast overspend risk are set out in the General Fund budget report also on this committee agenda.

2.4 That the Committee approve the carry forward of £0.175m in respect of the Troubled Families grant as set out in Education & Skills section of Appendix 4.

2.5 That the Committee note the forecast for the Housing Revenue Account (HRA), which is currently an underspend of £0.295m.

2.6 That the Committee note the forecast risk position for the Dedicated Schools Grant which is an underspend of £0.384m.

2.7 That the Committee note the forecast outturn position on the capital programme and approve the variations in Appendix 6 and the new schemes as set out in Appendix 7.

3 CONTEXT / BACKGROUND INFORMATION

Targeted Budget Management (TBM) Reporting Framework

3.1 The TBM framework focuses on identifying and managing financial risks on a regular basis throughout the year. This is applied at all levels of the organisation from Budget Managers through to Policy, Resources & Growth Committee. Services monitor their TBM position on a monthly or quarterly basis depending on the size, complexity or risks apparent within a budget area. TBM therefore operates on a risk-based approach, paying particular attention to mitigation of growing cost pressures, demands or overspending through effective financial recovery planning together with more regular monitoring of high risk demand-led areas as detailed below.

3.2 The TBM report is normally divided into the following sections:

i) General Fund Revenue Budget Performance

ii) Housing Revenue Account (HRA) Performance

iii) Dedicated Schools Grant (DSG) Performance

iv) NHS Controlled S75 Partnership Performance

v) Capital Investment Programme Performance and Changes

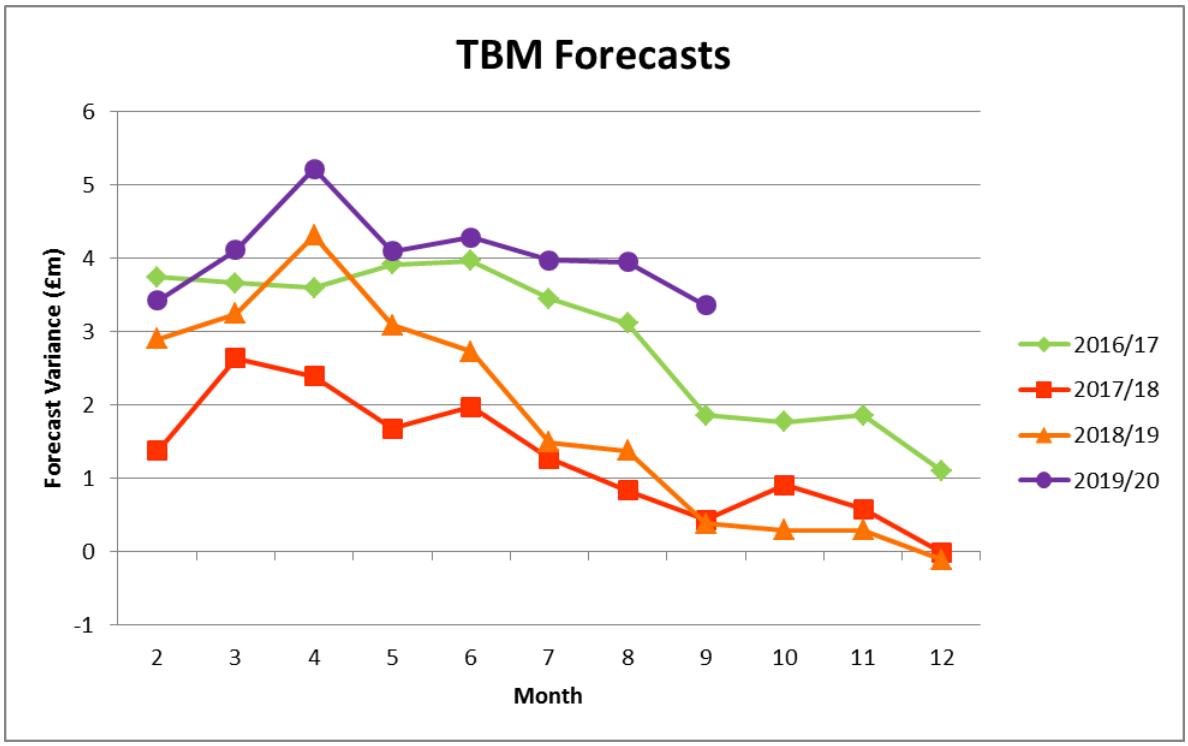
vi) Implications for the Medium Term Financial Strategy (MTFS)

4 GENERAL FUND REVENUE BUDGET PERFORMANCE (APPENDIX 4)

4.1 The table below shows the provisional outturn for Council controlled revenue budgets within the General Fund. These are budgets under the direct control and management of the Executive Leadership Team. More detailed explanation of the variances can be found in Appendix 4.

Forecast Variance Month 7 £'000	Directorate	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(756)	Families, Children & Learning	89,381	88,357	(1,024)	-1.1%
4,149	Health & Adult Social Care	58,960	63,484	4,524	7.7%
(15)	Economy, Environment & Culture	37,794	37,135	(659)	-1.7%
(30)	Housing, Neighbourhoods & Communities	15,390	15,207	(183)	-1.2%
215	Finance & Resources	24,036	24,065	29	0.1%
279	Strategy, Governance & Law	5,571	5,752	181	3.2%
3,842	Sub Total	231,132	234,000	2,868	1.2%
132	Corporately-held Budgets	(10,825)	(10,338)	487	4.5%
3,974	Total General Fund	220,307	223,662	3,355	1.5%

4.2 The General Fund includes general council services, corporate budgets and central support services. Corporate Budgets include centrally held provisions and budgets (e.g. insurance) as well as some cross-cutting value for money savings targets. Note that General Fund services are accounted for separately to the Housing Revenue Account (Council Housing). Note also that although part of the General Fund, financial information for the Dedicated Schools Grant is shown separately as this is ring-fenced to education provision (i.e. Schools). The chart below shows the monthly forecast variances for 2019/20 and the previous three years for comparative purposes.

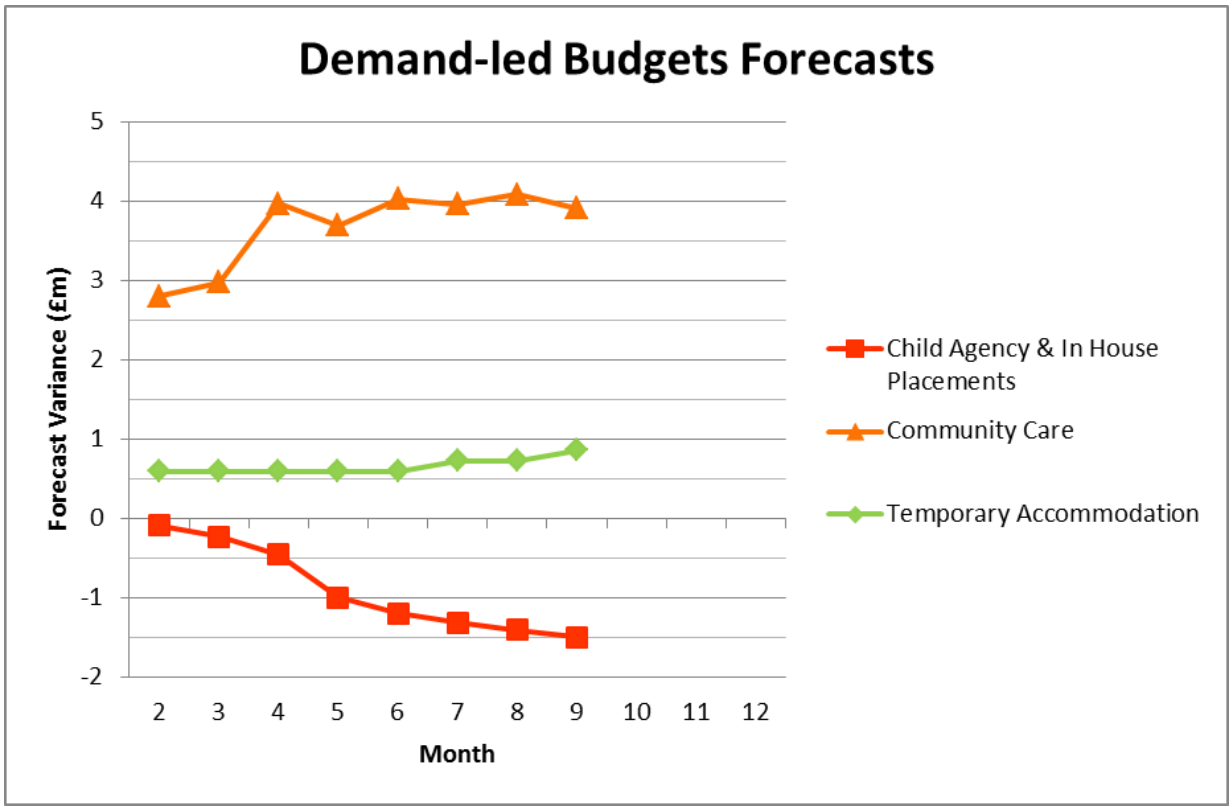


Demand-led Budgets

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

Forecast Variance Month 7 £'000	Demand-led Budget	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(1,314)	Child Agency & In House Placements	22,117	20,624	(1,493)	-6.8%
3,967	Community Care	64,885	68,800	3,915	6.0%
730	Temporary Accommodation	2,606	3,470	864	33.2%
3,383	Total Demand-led Budget	89,608	92,894	3,286	3.7%

The chart below shows the monthly forecast variances on the demand-led budgets for 2019/20.



Focus Areas

The main pressures identified at Month 9 are across parts of Families, Children & Learning, Health & Adult Social Care, Homelessness and City Environment Management. Information about these pressures and measures to mitigate them are summarised below:

4.4 **Families, Children & Learning:** The current projected position identifies potentially significant cost pressures: £0.445m on Services for Children with Disabilities; £0.174m on Services for Adults with Learning Disabilities; and £969m on Home to School Transport. However, the directorate is able to manage these pressures as there are services with forecast underspends such as Children in Care (£1.729m), Adoption (£0.351m) and Preventive/s17 (£0.253m), which, together with other variances (£0.279m), results in a forecast underspend of (£1.024m) as at Month 9. This reflects the positive impact of preventive and proactive work with families and children through the revised model of social work and multi-agency teams.

4.5 **Adults Services:** The service is facing very significant challenges in 2019/20 in mitigating the risks arising from increasing demands from client needs, supporting more people to be discharged from hospital when they are ready and maintaining a resilient local provider market. This is alongside delivering a significant budget savings programme and developing integration plans through the Better Care Fund.

- Service pressure funding of over £9.000m, including Better Care and Winter Pressure funding, has been applied in 2019/20 and used to fund budget pressures resulting from the increased demands and complexity in the city. However, £1.563m was needed to offset the reduction in iBCF funding, £0.383m to backfill the further withdrawal of CCG funding contributions, and £0.500m for the reduction in the Public Health grant. Over the last two years there has been an overall £3.750m reduction in CCG funding due to pressures on local NHS budgets, however, this has all been borne by the HASC budget although CCG funding also relates to services in other directorates.
- Work is ongoing to deliver the total approved budget savings of £4.354m and mitigate the additional budget pressures of £1.702m arising at the start of 2019/20.
- Overall, HASC is currently forecasting an overspend of £4.524m at Month 9 clearly indicating the scale of current challenges. Actions are focused on attempting to manage demands on and costs of community care placements across Assessment Services and making the most efficient use of available funds. The current forecast overspend is a result of:
    - Care home placements and home care packages for Older People relating to pressure from hospital discharge £1.762m;
    - Unfunded element of cumulative CCG funding reductions of £0.800m;
    - Physical Support shortfall in Section 117 funding of £0.589m;
    - Unachieved savings from the corporate Sustainable Social Care Programme of £0.440m;
    - Other unachievable budget savings of £0.633m;
    - £0.300m due to system control issues following the implementation of new software in April 2018, which have been identified and are being addressed.
- The HASC directorate is beginning a transformation programme called ‘Better Lives, Stronger Communities’ which aims to implement a consistent approach of adopting strengths based practice, ensuring robust pathways are in place, developing a community reablement offer and re-designing the front door

service. This new way of working across the directorate will be reliant on a corporate and city-wide approach. However, the evidence at present indicates that the Health & Social Care system is under considerable pressure and this is generating additional costs for the council due to:

- Pressures on NHS budgets resulting in reduced funding contributions from the CCG;
- Significant pressures on the acute hospital resulting in increased costs to support timely discharge into residential and nursing home care;
- Ongoing transformation of GP practices and enhancement of their clinical screening and general medical services which contribute to preventative support;
- Pressures on NHS outreach and other preventative services including community nursing (known as Integrated Primary Care Teams);
- There is also focus nationally on improving rates of hospital discharge in order to accommodate winter pressures.

- The funding of all care packages is scrutinised for Value for Money, ensuring that eligible needs are met in the most cost-effective manner which will not always meet people's aspirations. Established safeguards are in place to provide assurance within this process.

4.6 **Housing Services and Temporary Accommodation** The outturn position for 2018/19 was an overspend of £1.030m. The 2018/19 overspend was made up of £0.592m on Temporary Accommodation, £0.388m on Seaside Homes and £0.050m across the service. This was met from the release of Flexible Support Homelessness Grant.

The Temporary Accommodation 2019/20 forecast overspend of £0. 864m is driven by higher than budgeted volumes and costs of temporary accommodation due to the continuing local pressures and bedding-in of the statutory requirements of the Housing Reduction Act. The number of households in temporary accommodation (TA) reduced by over 200 units by the end of 2018/19 and the budget was set on the basis that this trend would continue but the forecast is indicating that volumes and costs will not decrease to the levels expected.

The £1.300m trailblazer project has delivered some reductions in accommodation volumes in 2018/19 as mentioned above. The service continues to work to reduce the volume of households in temporary accommodation by focusing resources on earlier prevention of homelessness and using the grant funding to transform the service. The service is on track to increase the number of households prevented from becoming homeless compared to last year and has also increased the number of households moving into private rented accommodation. Target numbers of moves to social housing are being achieved in relation to the Allocation Plan. However, numbers in temporary accommodation remain higher than anticipated. While leased accommodation was reduced in anticipation of a reduction in numbers of households requiring TA, the number of households did not reduce as quickly and the impact has been an increased use of spot purchase accommodation. Work is underway to increase leased accommodation to relieve pressure from the more expensive short term and emergency accommodation.

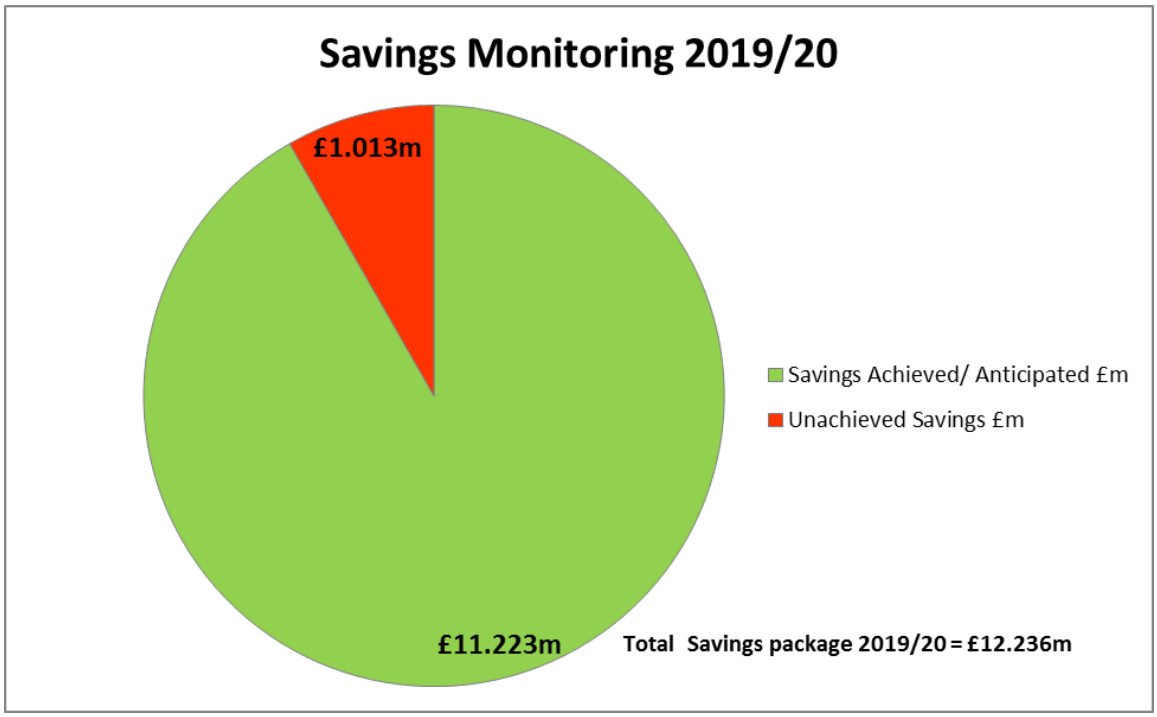
The Seaside Homes forecast overspend of £0.250m (after service pressure funding of £0.150m) is due to lower income collection following the impact of Universal Credit and void losses due to higher churn as households are moved on from temporary accommodation. The service is focusing on how to improve income collection which may become more difficult as Universal Credit is rolled out (the benefit payment for rent is not always paid directly to the landlord).

4.7 **Environment, Economy & Culture:** The directorate is experiencing a number of pressures, particularly in the CityClean service concerning employee and fleet related costs to meet service requirements and additional costs as a result of a fire at the Hollingdean Waste Transfer Station. Pressures are offset by overachievements of various income streams in other services, particularly parking income and commercial rents. Financial Recovery Plans and expenditure controls implemented across the directorate have also contributed to an improved forecast resulting in a net underspend position.

Monitoring Savings (General Fund)

4.8 The savings package approved by full Council to support the revenue budget position in 2019/20 was £12.236m following directly on from a £12.678m savings package in 2018/19. This is very significant and follows 7 years of substantial packages totalling over £130m that have been necessary to enable cost and demand increases for statutory and priority services to be funded alongside managing reductions in central government grant funding.

4.9 Appendix 4 provides a summary of savings in each directorate and indicates in total what is anticipated/achieved or is at risk. Appendix 5 summarises the position across all directorates and presents the entire savings programme. The graph below provides a summary of the position as at Month 9 which is an early indication. This shows that a substantial element is on track with £1.013m (8%) currently at risk. Mitigation of these risks is included in the development of services' financial recovery actions.



5 HOUSING REVENUE ACCOUNT PERFORMANCE (APPENDIX 4)

5.1 The Housing Revenue Account is a separate ring-fenced account within the General Fund that covers income and expenditure related to the management and operation of the council's housing stock. Expenditure is generally funded by Council Tenants' rents and housing benefits. The forecast outturn is currently an underspend of £0.200m and more details are provided in Appendix 4.

6 DEDICATED SCHOOLS GRANT PERFORMANCE (APPENDIX 4)

6.1 The Dedicated Schools Grant (DSG) is a ring-fenced grant within the General Fund which can only be used to fund expenditure on the schools budget. The schools budget includes elements for a range of services provided on an authority-wide basis including Early Years education provided by the Private, Voluntary and Independent (PVI) sector, and the Individual Schools Budget (ISB) which is divided into a budget share for each maintained school. The forecast outturn is an underspend of £0.384m and more details are provided in Appendix 4. Under the Schools Finance Regulations any underspend or overspend must be carried forward to support the schools budget in future years.

7 NHS MANAGED S75 PARTNERSHIP PERFORMANCE (APPENDIX 4)

7.1 NHS Trust-managed Section 75 Services represent those services for which local NHS Trusts act as the Host Provider under Section 75 Agreements. Services are managed by Sussex Partnership Foundation Trust (SPFT) and include health and social care services for Adult Mental Health, and Memory and Cognitive Support Services.

7.2 This partnership is subject to separate annual risk-sharing arrangements and the monitoring of financial performance is the responsibility of the respective host NHS Trust provider. Risk-sharing arrangements result in financial implications for the council where a partnership is underspent or overspent at year-end and hence the performance of the partnership is included within the forecast outturn for the Health & Adult Social Care directorate. An underspend of £0.137m is currently forecast and more details are provided in Appendix 4.

8 CAPITAL PROGRAMME PERFORMANCE AND CHANGES

8.1 The table below provides a summary of capital programme performance by Directorate and shows that there is a forecast underspend of £0.889m at this early stage. More details are provided in Appendix 6.

Forecast Variance Month 7 £'000	Directorate	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Families, Children & Learning	11,438	11,438	0	0.0%
0	Health & Adult Social Care	1,119	1,119	0	0.0%
0	Economy, Environment & Culture	46,500	46,330	(170)	-0.4%
0	Housing, Neighbourhoods & Communities	2,397	2,397	0	0.0%
(167)	Housing Revenue Account	55,215	54,496	(719)	-1.3%
0	Finance & Resources	3,826	3,826	0	0.0%
0	Strategy, Governance & Law	1,813	1,813	0	0.0%
(167)	Total Capital	122,309	121,420	(889)	-0.7%

(Note: Summary may include minor rounding differences to Appendix 6)

8.2 Appendix 6 shows the changes to the capital budget and Appendix 7 provides details of new schemes for 2019/20 to be added to the capital programme which are included in the budget figures above. The approval of Policy & Resources Committee is required for these changes under the council's Financial Regulations. The following table shows the movement in the capital budget since approval at Budget Council.

Summary of Capital Budget Movement	Reported Budget Month 9 £'000
Budget approved as at Month 7	173,952
Changes reported at other committees and already approved	(735)
New schemes to be approved in this report (see Appendix 7)	235
Variations to budget (to be approved)	3,045
Reprofiling of budget (to be approved)	(53,568)
Slippage (to be approved)	(620)
Total Capital Budget (as at Month 9)	**122,309**

9 IMPLICATIONS FOR THE MEDIUM TERM FINANCIAL STRATEGY (MTFS)

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

Capital Receipts Performance

9.2 Capital receipts are used to support the capital programme. Any changes to the level of receipts during the year will impact on future years' capital programmes and may impact on the level of future investment for corporate funds and projects such as the Strategic Investment Fund, Modernisation Fund, Asset Management Fund and the Information, Technology and Digital Investment Fund. The planned profile of capital receipts for 2019/20, as at Month 9, is £17.180m which includes significant receipts expected from the sale of Longley industrial estate, land transferring to the Housing Joint Venture, and property sales identified to support the Stanmer redevelopments.

9.3 To date there have been receipts of £8.802m in relation to the sale of 41-42 Park Wall Cottages, the lease extension at Longley House New England Street, the transfer of 7-9 Frederick Street from the HRA to the General Fund plus some minor lease extensions, loan repayments and some small parcels of land sales. The capital receipts performance will be monitored over the coming months against capital commitments.

9.4 The forecast for the 'right to buy sales' in 2019/20 (after allowable costs, repayment of housing debt and forecast receipt to central government) is that an estimated 55 homes will be sold with a maximum useable receipt of £0.510m to fund the corporate capital programme and net retained receipt of £6.600m available to re-invest in replacement homes. To date 28 homes have been sold in 2019/20.

Collection Fund Performance

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

9.6 The Council Tax Collection Fund forecast deficit is £1.585m. There are four main areas contributing to the deficit which are:

- lower levels of properties being added to the property list than forecast;
- increased awards for student exemptions and discounts;
- lower reductions in CTR discounts than previously experienced; and
- increasing awards of severely mentally impaired (SMI) exemptions which can be backdated over a number of years.

9.7 The reduced properties are a timing issue with developments not completing in the timescales used in setting the current year's tax base and hasn't impacted on future years' forecasts. The council's share of the overall forecast council tax deficit is £1.346m.

9.8 The business rates collection fund has a forecast surplus of (£4.361m) which mainly relates to a reduced provision required for successful appeals against the 2017 rating list. The latest information from the Valuation Office Agency on the number of checks, challenges and appeals against the 2017 rating list indicates that lower

levels are being raised. In light of this information the forecast provision needed at year-end can be reduced by (£5.202m). Other changes include higher than forecast empty reliefs awarded of £1.437m, additional business rates liabilities (£0.371m), and reduced awards for reliefs funded by s31 compensation grants (£0.278m). The council's share of the surplus is (£2.137m) and in addition (£0.156m) can be released from the business rates s31 adjustment reserve.

9.9 The council's share of the combined collection funds and s31 reserve is (£0.947m) additional one-off resources which is included in the budget proposals for 2020/21.

Reserves, Budget Transfers and Commitments

9.10 The creation of reserves, the approval of budget transfers (virements) of over £0.250m, and agreement to new financial commitments of corporate financial significance that are not provided for in the approved budget and policy framework require Policy & Resources Committee approval in accordance with the council's Financial Regulations and Standard Financial Procedures.

9.11 A report on Winter Shelter Provision for Rough Sleepers is also on this committee agenda and identifies potential one-off resources of £0.035m needed in 2019/20 to support the recommended option (Option 1). This commitment is addressed in the General Fund budget report also on this committee agenda.

10 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

10.1 The provisional outturn position on the General Fund is an overspend of £3.355m. This includes a forecast underspend of £0.137m on the council's share of the NHS managed Section 75 services. There are one-off financial risk provisions of £0.805m available to partially mitigate the position. The overspend represents 1.5% of the net General Fund Budget (or 1.2% after taking into account the available risk provision). The General Fund budget report, also on this committee agenda, addresses the management of the residual forecast risk.

10.2 Taking into account the plans set out in the General Fund budget report to address the residual risk, any overspend at the year-end over and above this would need to be funded from general reserves which would then need to be replenished to ensure that the working balance did not remain below the recommended level of £9.000m. Any underspend would release one-off resources that can be used to further aid budget planning for 2020/21.

11 COMMUNITY ENGAGEMENT & CONSULTATION

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

12 CONCLUSION AND COMMENTS OF THE DIRECTOR OF FINANCE & RESOURCES (S151 OFFICER)

12.1 The Month 9 forecast indicates that a number of underlying demand and cost pressures will need continued focus to ensure that the position does not escalate further and create higher risks in 2020/21. As it stands, the 2020/21 budget proposals identify investment to meet growing demands and above-inflation

pressures on statutory and priority services and sets out how any residual risk can be mitigated and managed within the context of the overall budget available.

12.2 In the current year, the Executive Leadership Team (ELT) have implemented a range of temporary expenditure and vacancy controls to support the improvement of the in-year budget position. These controls will remain in place across non-statutory services until April 2020 to ensure continued improvement of the in-year position.

13 FINANCIAL AND OTHER IMPLICATIONS

Financial Implications:

13.1 The financial implications are covered in the main body of the report. Financial performance is kept under review on a monthly basis by the Executive Leadership Team and the management and treatment of forecast risks is considered by the Audit & Standards Committee as part of its review of strategic risks.

Finance Officer Consulted: Jeff Coates *Date: 20 January 2020*

Legal Implications:

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

Lawyer Consulted: Elizabeth Culbert *Date: 23 January 2020*

Equalities Implications:

13.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

13.4 Although there are no direct sustainability implications arising from this report, the council's financial position is an important aspect of its ability to meet council priorities. The achievement of a break-even position or better is therefore important in the context of ensuring that there are no adverse impacts on future financial years arising from performance in 2019/20.

Risk and Opportunity Management Implications:

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

SUPPORTING DOCUMENTATION

Appendices:

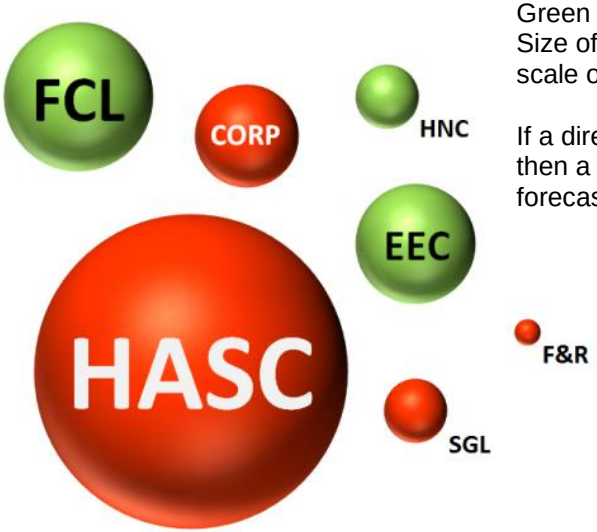
1. Financial Dashboard Summary
2. Revenue Budget RAG Rating

3. General Fund Revenue Budget Movement since Month 7
4. Revenue Budget Performance
5. Summary of 2019/20 Savings Progress
6. Capital Programme Performance
7. New Capital Schemes

Documents in Members' Rooms:
None.

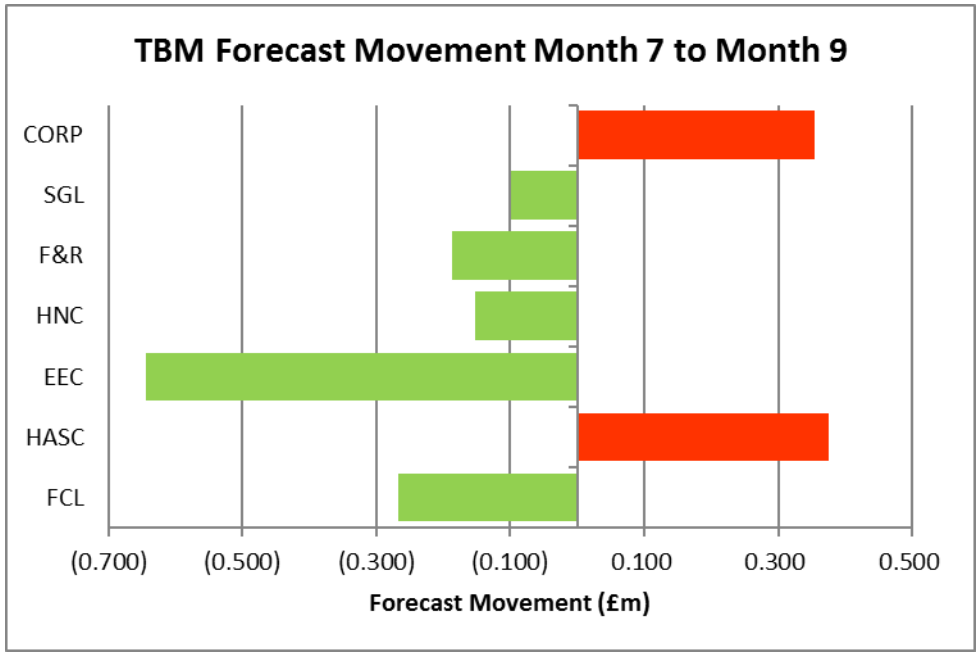
Background Documents
None.

Appendix 1 - Financial Dashboard Summary



Red = overspent.
Green = Underspent.
Size of bubble indicates scale of under or overspend.

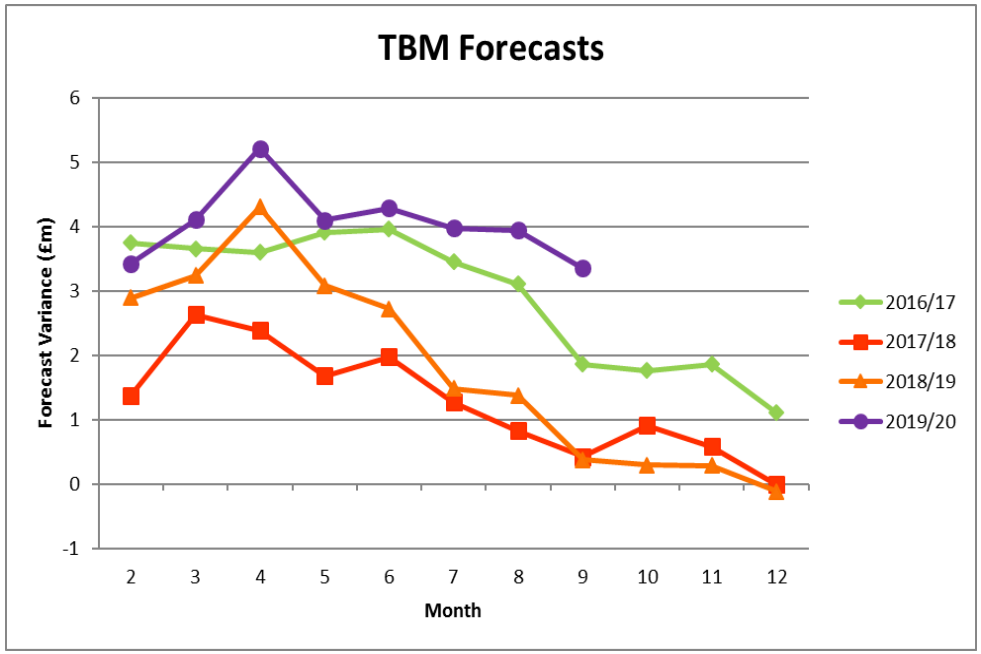
If a directorate is not shown then a break even position is forecast.

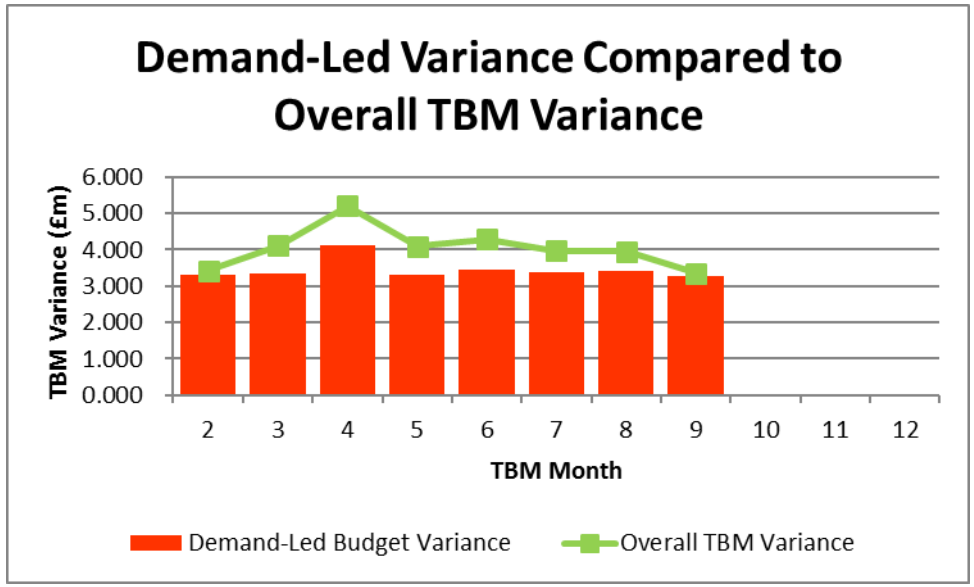


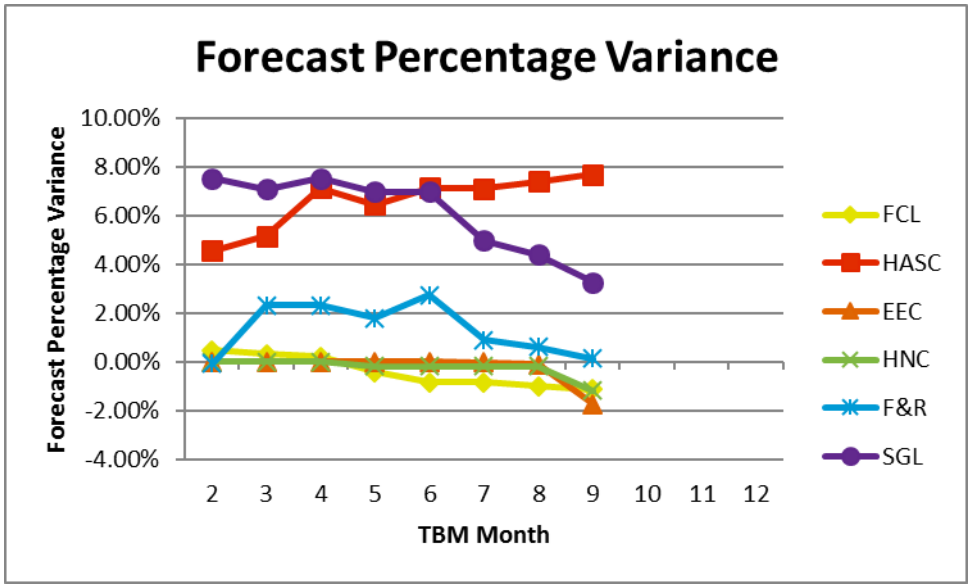
Direction of Travel

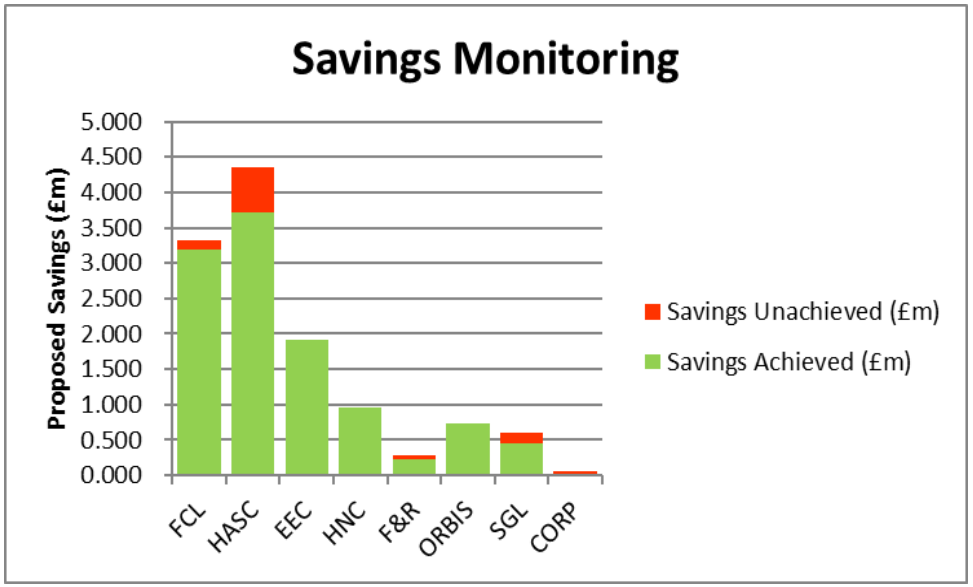
Directorate/Fund	Forecast Variance Month 9	Forecast Variance Month 9	Change From Month 7	RAG Rating Month 9
	£'000	%		
General Fund Services:				
Families, Children & Learning	(1,024)	-1.1%	↑	Green
Health & Adult Social Care	4,524	7.7%	↓	Red
Economy, Environment & Culture	(659)	-1.7%	↑	Green
Housing, Neighbourhoods & Communities	(183)	-1.2%	↑	Green
Finance & Resources	29	0.1%	↑	Amber
Strategy, Governance & Law	181	3.2%	↑	Amber
Corporately-held Budgets	487	4.5%	↓	Red
Total General Fund	3,355	1.5%	↑	Red
Dedicated Schools Grant (DSG)	(384)	-47.8%	↑	Green
Housing Revenue Account	(295)	0.0%	↑	Green

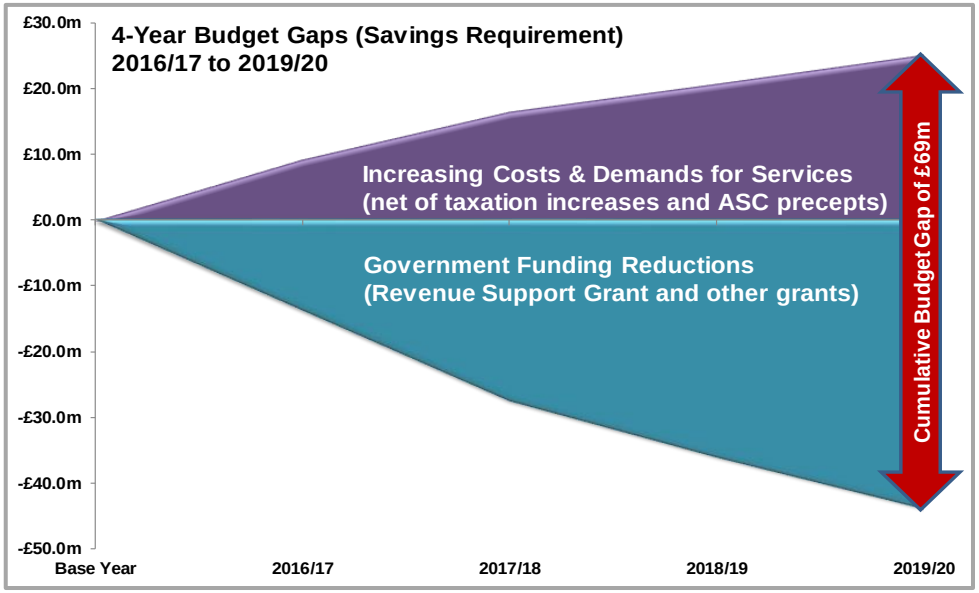
↑ = Improving position, ↓ = Worsening position




Demand-Led Variance Compared to Overall TBM Variance
TBM Variance (£m)
6.000
5.000
4.000
3.000
2.000
1.000
0.000
2 3 4 5 6 7 8 9 10 11 12
TBM Month
Demand-Led Budget Variance
Overall TBM Variance


Forecast Percentage Variance
Forecast Percentage Variance
10.00%
8.00%
6.00%
4.00%
2.00%
0.00%
-2.00%
-4.00%
2 3 4 5 6 7 8 9 10 11 12
TBM Month
FCL
HASC
EEC
HNC
F&R
SGL


Savings Monitoring
Proposed Savings (£m)
5.000
4.500
4.000
3.500
3.000
2.500
2.000
1.500
1.000
0.500
0.000
FCL
HASC
EEC
HNC
F&R
ORBIS
SGL
CORP
Savings Unachieved (£m)
Savings Achieved (£m)


4-Year Budget Gaps (Savings Requirement)
2016/17 to 2019/20
£30.0m
£20.0m
£10.0m
£0.0m
-£10.0m
-£20.0m
-£30.0m
-£40.0m
-£50.0m
Increasing Costs & Demands for Services
(net of taxation increases and ASC precepts)
Government Funding Reductions
(Revenue Support Grant and other grants)
Cumulative Budget Gap of £69m
Base Year
2016/17
2017/18
2018/19
2019/20

Appendix 2 – Revenue Budget RAG Ratings

RAG Rating Key:	RAG for Service Areas	RAG for Directorates[1]	RAG for General Fund
Red	Forecast overspend of 5% or more or £0.100m whichever is lower	Forecast overspend of 5% or more or £0.250m whichever is lower	Forecast overspend of 0.5% or more or £1.000m whichever is lower
Amber	Forecast overspend of less than 5% of budget or £0.100m, whichever is lower.	Forecast overspend of less than 5% of budget or £0.250m, whichever is lower.	Forecast overspend of less than 0.5% of budget or £1.000m, whichever is lower.
Green	Breakeven or forecast underspend	Breakeven or forecast underspend	Breakeven or forecast underspend

Service	2019/20 Budget Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	RAG Rating Month 9
Director of Families, Children & Learning	92	0	0.0%	Green
Health, SEN & Disability Services	39,971	619	1.5%	Red
Education & Skills	7,406	919	12.4%	Red
Children's Safeguarding & Care	40,471	(2,558)	-6.3%	Green
Quality Assurance & Performance	1,441	(4)	-0.3%	Green
Total Families, Children & Learning	89,381	(1,024)	-1.1%	Green
Adult Social Care	32,924	3,976	12.1%	Red
S75 Sussex Partnership Foundation Trust (SPFT)	16,362	(137)	-0.8%	Green
Integrated Commissioning	9,275	685	7.4%	Red
Public Health	399	0	0.0%	Green
Total Health & Adult Social Care	58,960	4,524	7.7%	Red
Transport	1,063	(1,622)	-152.6%	Green
City Environmental Management	30,406	1,340	4.4%	Red
City Development & Regeneration	2,969	144	4.9%	Red
Culture, Tourism & Sport	3,982	(8)	-0.2%	Green
Property	(626)	(513)	-81.9%	Green
Total Economy, Environment & Culture	37,794	(659)	-1.7%	Green
Housing General Fund	5,350	(53)	-1.0%	Green
Libraries	4,650	(30)	-0.6%	Green
Communities, Equalities & Third Sector	2,872	0	0.0%	Green
Safer Communities	2,518	(100)	-4.0%	Green
Total Housing, Neighbourhoods & Communities	15,390	(183)	-1.2%	Green
Finance (Mobo)	65	59	90.8%	Red
HR & Organisational Development (Mobo)	1,061	55	5.2%	Red
IT&D (Mobo)	5,915	115	1.9%	Red
Procurement (Mobo)	(416)	0	0.0%	Green
Business Operations (Mobo)	92	100	108.7%	Red
Revenues & Benefits (Mobo)	5,004	(50)	-1.0%	Green
Housing Benefit Subsidy	(901)	(320)	-35.5%	Green
Contribution to Orbis	13,216	70	0.5%	Amber
Total Finance & Resources	24,036	29	0.1%	Amber
Corporate Policy	697	0	0.0%	Green
Legal Services	1,331	(75)	-5.6%	Green

Appendix 2 – Revenue Budget RAG Ratings

Service	2019/20 Budget Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	RAG Rating Month 9
Democratic & Civic Office Services	1,740	(45)	-2.6%	Green
Life Events	122	355	291.0%	Red
Performance, Improvement & Programmes	645	(12)	-1.9%	Green
Communications	1,036	(42)	-4.1%	Green
Total Strategy, Governance & Law	5,571	181	3.2%	Amber
Sub Total	231,132	2,868	1.2%	
Bulk Insurance Premia	3,069	0	0.0%	Green
Capital Financing Costs	5,663	0	0.0%	Green
Levies & Precepts	207	0	0.0%	Green
Unallocated Contingency & Risk Provisions	22	0	0.0%	Green
Unringfenced Grants	(25,320)	(62)	-0.2%	Green
Other Corporate Items	5,534	549	9.9%	Red
Total Corporate Budgets	(10,825)	487	4.5%	Red
Total General Fund	**220,307**	**3,355**	**1.5%**	**Red**
Capital Financing	31,335	(320)	-1.0%	Green
Housing Management & Support	4,521	(230)	-5.1%	Green
Head of City Development & Regeneration	316	(30)	-9.5%	Green
Income Involvement Improvement	(46,303)	(615)	-1.3%	Green
Property & Investment	7,969	750	9.4%	Red
Tenancy Services	2,162	150	6.9%	Red
Total Housing Revenue Account	**0**	**(295)**	**0.0%**	**Green**
Individual Schools Budget (ISB)	127,539	0	0.0%	Green
Early Years Block (inc delegated to Schools)	13,712	(350)	-2.6%	Green
High Needs Block (exc delegated to Schools)	20,471	(79)	-0.4%	Green
Exceptions and Growth Fund	2,886	45	1.6%	Amber
Grant Income	(163,805)	0	0.0%	Green
Total Dedicated Schools Grant (DSG)	**803**	**(384)**	**-47.8%**	**Green**

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

Service	Forecast Variance Month 7 £'000	Forecast Variance Month 9 £'000	Movement £'000	Brief Explanation of Main Movements
Director of Families, Children & Learning	0	0	0	
Health, SEN & Disability Services	776	619	(157)	Improvement in Adults LD community care budget mainly due to reduced transitions costs.
Education & Skills	675	919	244	Includes a proposed carry forward request for Troubled Families (£0.175m) and increased costs relating to transport.
Children's Safeguarding & Care	(2,215)	(2,558)	(343)	Anticipated growth in the number of care leavers has not materialised.
Quality Assurance & Performance	8	(4)	(12)	
Further Financial Recovery Measures	0	0	0	
Total Families, Children & Learning	(756)	(1,024)	(268)	
Adult Social Care	3,920	4,042	122	Prudential forecast for potential under-recovery of costs in home care services.
S75 Sussex Partnership Foundation Trust (SPFT)	61	(137)	(198)	Slow down in anticipated care home activity.
Integrated Commissioning	702	685	(17)	
Public Health	0	0	0	
Further Financial Recovery Measures	(534)	(66)	468	Due to unachievable savings and recovery measures achieved now being included in the forecast above.
Total Health & Adult Social Care	4,149	4,524	375	
Transport	(1,025)	(1,622)	(597)	Required capital enhancements in car parks and re-profiling of maintenance spending, as a response to financial controls, have reduced revenue maintenance expenditure to a zero variance positon in year. This has improved the net variance by approximately (£0.500m); Other movements include a favourable movement in Temporary Traffic Regulation Order and hoarding income.
City Environmental Management	1,460	1,340	(120)	This is mainly the result of improved performance on commercial income and an anticipated underspend in the Parks Service as a result of spending controls.
City Development & Regeneration	174	144	(30)	Increase in forecast development planning and building

Service	Forecast Variance Month 7 £'000	Forecast Variance Month 9 £'000	Movement £'000	Brief Explanation of Main Movements
				control income due to a higher than anticipated number of applications in year.
Culture, Tourism & Sport	25	(8)	(33)	Reduced expenditure due to expenditure controls.
Property	66	(513)	(579)	Following the latest quarterly review, the estimated cost of Corporate Landlord Utilities has reduced by (£0.100m). Due to in-year staff shortages the annual Planned Maintenance Budget is now expected to be underspent by (£0.100m). Recent favourable rent reviews on the commercial portfolio have led to unforeseen backdated rent income for several properties in excess of (£0.400m).
Further Financial Recovery Measures	(715)	0	715	The financial recovery measures proposed at Month 7 and the impact of spending controls have now been fully reflected in the service forecasts.
Total Economy, Environment & Culture	(15)	(659)	(644)	
Housing General Fund	1,230	1,111	(119)	Increased costs of Temporary Accommodation offset by staff turnover in Housing Options service and Travellers service underspending.
Libraries	(30)	(30)	0	
Communities, Equalities & Third Sector	0	0	0	
Safer Communities	0	(100)	(100)	Staff vacancies.
Further Financial Recovery Measures	(1,230)	(1,164)	66	Underspends in Housing Options decreases the use of grant required to balance this element of the budget.
Total Housing, Neighbourhoods & Communities	(30)	(183)	(153)	
Finance (Mobo)	44	59	15	
HR & Organisational Development (Mobo)	55	55	0	
IT&D (Mobo)	150	115	(35)	Reduction in expected contract costs.
Procurement (Mobo	0	0	0	
Business Operations (Mobo)	100	100	0	
Revenues & Benefits (Mobo)	0	(50)	(50)	Further staff vacancies.

Appendix 3 – General Fund Revenue Budget Movement Since Month 7

Service	Forecast Variance Month 7 £'000	Forecast Variance Month 9 £'000	Movement £'000	Brief Explanation of Main Movements
Housing Benefit Subsidy	(347)	(320)	27	Worsening position on recovery of former Council Tax Benefits.
Contribution to Orbis	213	70	(143)	
Further Financial Recovery Measures	0	0	0	
Total Finance & Resources	215	29	(186)	
Corporate Policy	0	0	0	
Legal Services	(20)	(75)	(55)	Increase in expected income overachievement.
Democratic & Civic Office Services	(20)	(45)	(25)	Mostly vacancy management.
Life Events	331	355	24	Continuing income pressures.
Performance, Improvement & Programmes	(12)	(12)	0	
Communications	0	(42)	(42)	Vacancy management and supplies and services underspends.
Further Financial Recovery Measures	0	0	0	
Total Strategy, Governance & Law	279	181	(98)	
Bulk Insurance Premia	0	0	0	
Capital Financing Costs	0	0	0	
Levies & Precepts	0	0	0	
Unallocated Contingency & Risk Provisions	0	0	0	
Unringfenced Grants	(42)	(62)	(20)	Higher than anticipated grant announced in December.
Other Corporate Items	174	549	375	Further non achievement of corporately held saving (£0.420m) offset by unrequired old grant funding of £0.087m.
Further Financial Recovery Measures	0	0	0	
Total Corporately-held Budgets	132	487	355	
Total General Fund	3,974	3,355	(619)	

Families, Children & Learning

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Director of Families, Children & Learning	92	92	0	0.0%	116	116	0
776	Health, SEN & Disability Services	39,971	40,590	619	1.5%	1,007	953	54
675	Education & Skills	7,406	8,325	919	12.4%	318	261	57
(2,215)	Children's Safeguarding & Care	40,471	37,913	(2,558)	-6.3%	1,800	1,800	0
8	Quality Assurance & Performance	1,441	1,437	(4)	-0.3%	79	70	9
(756)	Total Families, Children & Learning	89,381	88,357	(1,024)	-1.1%	3,320	3,200	120

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

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Health, SEN & Disability Services		
236	Demand Led - Children's Disability Placements	The projected number and unit costs of residential children's placements are both in excess of budgeted provision. This is due to the breakdown of several foster placements and the requirement to make additional high cost residential placements in 2019/20.
150	Adults LD - loss of continuing health care funding	The CCG is reviewing health needs of high cost clients and this is currently having an adverse impact of the Adults LD social care budget. Negotiations with the CCG are ongoing.
519	In-house disability services	There is an underlying pressure in both Children's and Adults in-house services. In particular, this relates to Drove Road and Beach House where services are being required to provide exceptionally high levels of support and accommodate emergency placements.
(163)	Adults LD - community care	The main Community Care budget is forecasting an underspend of £0.163m (0.5% of the net budget). The average unit cost is marginally below budget provision and client numbers are also slightly reduced in comparison to budget and anticipated growth.
193	Direct Payments	There continues to be a pressure on the direct payments budget as there is an increase in both the numbers and unit costs.
(195)	Disability Service redesign	High number of vacancies and significant turnover as part of the transition to a new disability services structure.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(121)	Other	This relates to various other underspends across the Health, SEN and Disability branch including children's disability contracts budgets, the SEN team due to staff turnover, the disability admin teams due to vacancies, and the Community Support Service.
Education & Skills		
969	Home to School Transport	For 2019/20, based on previous information, the latest position indicates a £0.969m overspend. The impact of operators returning routes at short notice and adjustments to arrangements due to difficulties with the implementation of new home to school transport routes has meant the estimated cost of provision has increased. The need to act quickly has meant additional costs and higher journey prices are being charged while the current issues are worked through for the longer term. Approximately 50 extra journeys are now being commissioned daily.
(50)	Other	This relates to an underspend of £0.063m in Skills and Employment and other small underspends, off-set by the non-achievement of PFI contract savings of £0.040m input for the contract review work originally planned for 2019/20. An underspend of £0.175m was previously reported in respect of the Troubled Families grant. For 2020/21, the allocation of this grant is reducing by £0.185m and therefore, to manage the transition and maintain this preventative service, the Committee's approval is sought to carry forward the unspent balance from 2019/20 as required by Financial Regulations. The forecast here assumes that the request is approved.
Children's Safeguarding & Care		
(1,027)	Demand-Led - Residential Agency Placements	The projected number of residential placements (27.78 FTE) is broken down as 24.78 FTE social care residential placements (children's homes) and 3.00 FTE schools placements. The budget allowed for 30.00 FTE social care residential care placements and 3.50 FTE schools placements. The average unit cost of residential placements is slightly higher than the budgeted level at £3,800.73 per week (£14.99 per week above budget). The combination of the number of children placed being 5.72 FTE below the budgeted level and the unit costs result in the underspend of £1.027m.
(41)	Demand-Led - Independent Foster Agency (IFA) Placements	The number of children placed in Independent Foster Agency placements has decreased in recent years. During 2018/19 there were 98.73 FTE (compared with 118.68 FTE for 2017/18). The current projected number of placements in 2019/20 is 87.81 FTE, a reduction of 11.1%. The budget for IFA placements included significant levels of savings and was set at 86.10 FTE. The average unit costs are lower than the budget by £25.77 and this, off-set by the numbers being slightly higher than the budget by 1.71 FTE results in a projected underspend of £0.041m.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
9	Demand-Led - Secure Accommodation	It is estimated that during 2019/20 there will be 1.28 FTE secure (welfare) placements and 0.33 FTE secure (justice) placements. The budget allowed for 1.30 FTE welfare and 1.00 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and none in a secure (justice) placement resulting in a projected overspend of £0.009m.
601	Demand-Led - Semi-independent/Supported placements	The number of semi-independent and supported living placements is projected to be 33.21 FTE and this is 8.61 FTE above the budgeted level. The average unit cost of these placements is currently below the budget. The higher forecast number of placements results in the overspend of £0.601m.
(328)	Demand-Led - In-House Fostering	As at the 31 December 2019 there were 148 children placed with 'in-house' foster carers and 145.33 FTE for the year. The budget, based on an increasing trend over the last few years and the drive to increase recruitment of in-house carers, was set at 153.60 FTE placements. This has resulted in the current projected underspend of £0.328m.
180	Demand-Led - Family & Friends placements, Child Arrangement Orders and Special Guardianship Orders	The budget allows for 332.90 FTE placements of these types. It is currently anticipated that there will be 336.57 FTE children in these placements during 2019/20 and this results in the overspend of £0.180m.
(745)	Demand-Led - Care Leavers	The projected number of care leaver placements in 2019/20 is 107.38 FTE. The budget allows for 160.10 FTE placements. The average unit cost of placements is also lower than budgeted and this has resulted in the underspend of £0.745m.
(378)	Demand-Led Unaccompanied Asylum Seeking Children (UASC) Teams, Living Expenses and Grant	The numbers of unaccompanied asylum seeking children has increased considerably in the last couple of years. The increase in the number of asylum seekers has required additional staffing and also an increase in other, non-accommodation living costs. The costs of looking after these children is funded by a grant from the Home Office and this has increased in 2019/20 by 25% resulting in the underspend on core funding of £0.378m.
77	Social Work Pods	The forecast variance accounts for current vacancies, the recruitment of newly qualified social workers in September and assumed staff turnover. An overspend of £0.202m is reported against the Partners in Change initiative as, the projected savings assumed in the Business plan are yet to be identified against the social work establishment and legal fees.
(253)	Preventive/S17	There is a significant underspend projected across the Preventive budgets. It is anticipated that, with continued scrutiny and current controls on spending, a year end underspend will be realised in 2019/20.
(351)	Adoptions	Based on current family finding activity and children looking for adoption the projected

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		outturn on Interagency Adoptions is an underspend of £0.244m and there are other underspends of £0.130m. Based on the current schedule of supported cases Adoption allowances are forecast to overspend by £0.023m.
(30)	Legal fees	Underspend predominantly relates to forecast spend on court fees for the remainder of the year based on previous years trends.
(125)	Adolescent Service	The underspend relates to vacant posts and turnover.
(90)	Contact Service	The underspend reported assumes a full staffing establishment and a reduction in the use of sessional contact workers.
(65)	Specialist Assessment and Domestic Violence Service	Staff Turnover, a projected underspend against specialist assessment costs (DNA, Medical. Psychological etc.) and the reduction to 0.4 FTE of the Clinical Psychology commission indicate an underspend of £0.065m at Month 9.
8	Other	This relates to minor variances across the branch.
Quality Assurance & Performance		
(4)	Other	This relates to minor underspends across the branch.

Health & Adult Social Care (HASC)

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
3,920	Adult Social Care	32,924	36,966	4,042	12.3%	2,886	2,327	559
61	S75 Sussex Partnership Foundation Trust (SPFT)	16,362	16,225	(137)	-0.8%	699	626	73
702	Integrated Commissioning	9,275	9,960	685	7.4%	455	455	0
0	Public Health	399	399	0	0.0%	314	313	1
4,683	Total Health & Adult Social Care	58,960	63,550	4,590	7.8%	4,354	3,721	633
(534)	Further Financial Recovery Measures (see below)	-	(66)	(66)	-	-	-	-
4,149	Residual Risk After Financial Recovery Measures	58,960	63,484	4,524	7.7%	4,354	3,721	633

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(66)	Further Financial Recovery Measures projection	Recovery measures are primarily aimed at cost avoidance actions to try and contain pressures and restrict further growth in costs this year. However, modest potential cost reductions are expected to be achievable from ongoing targeted reviews and this is reflected here.
Adult Social Care		
3,989	Demand-Led Community Care - Physical & Sensory Support	There continue to be increasing numbers of 'new' older people being discharged from hospital requiring social care services for the first time, as well as increased community demand. This additional financial pressure is being partly met by the Adult Care Support Grant and Improved Better Care fund for 2019/20. The forecast number of placements/packages is 2,344 WTE, which is 134 WTE above the budgeted level of 2,210 WTE placements. The average unit cost of a placement/package is also higher than the budgeted level at £196 per week (£29 per week above budget per

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		client). The combination of the number of adults placed being 134 WTE above the budgeted level and the increased unit costs result in the overspend of £4.429m. There has been a significant reduction in NHS Continuing Health Care (CHC) contributions over the last 3 financial years where in 2016/17 £0.602m was achieved (26 clients at £564 per week on average) but this reduced to £0.174m in 2017/18, £0.316m in 2018/19 and £0.175m to date in 2019/20 (13 clients at £347 per week). A risk provision of £0.300m has been included due to system control issues following the implementation of new software in April 2018, which have been identified and are being addressed. The provision relates to potential under-recovery of costs in home care services.
204	Demand-Led Community Care - Substance Misuse	There are relatively small numbers of clients within this service and this is in line with the expected demand. The average unit cost is higher than the budgeted unit cost resulting in the overspend of £0.204m.
(556)	Assessment teams	This is due to a number of temporary vacancies across the Assessment teams.
440	Sustainable Social Care	£0.440m of the overall £1.000m corporate Sustainable Social Care savings target has been allocated to HASC.
(56)	In house services	Due to temporary staff vacancies.
21	Other	
S75 Sussex Partnership Foundation Trust (SPFT)		
(328)	Demand-Led - Memory Cognition Support	The unit cost is lower than had been anticipated resulting in the underspend projection of £0.328m (before applying the agreed risk-share with Sussex Partnership Foundation Trust). The forecast number of placements/packages is 391 WTE which is below the budgeted level of 399 WTE placements. The average unit cost is lower than the budgeted level at £299 per week (£9 per week below budget).
142	Demand-Led - Mental Health Support	The number of forecast placements are higher than budgeted and this results in the overspend projection of £0.142m (before applying the agreed risk-share with Sussex Partnership Foundation Trust). There is an increasing need and complexity within this client group and the forecast number of placements/packages is 439 WTE, which is above the budgeted level of 418 WTE placements. The average unit cost of a placements/package is lower than the budgeted level at £300 per week (£8 per week less than the budget per client).
49	Staffing Teams	This is due to an increase in overtime hours within the Approved mental Health Professional (AMHP) Service.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Integrated Commissioning		
800	External Funding	Brighton & Hove CCG made a recurrent reduction of £1.100m to Council services in 2018/19. At that time, council reinvestment funding of £0.300m was available to partially mitigate the reduction but ongoing pressures across the service mean that further mitigation within the service has not been possible, resulting in a net pressure of £0.800m.
(99)	Contracts	Due to delays in commissioning process for new service.
(16)	Other	

Economy, Environment & Culture

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(1,025)	Transport	1,063	(559)	(1,622)	-152.6%	1,167	1,167	0
1,460	City Environmental Management	30,406	31,746	1,340	4.4%	96	96	0
174	City Development & Regeneration	2,969	3,113	144	4.9%	224	224	0
25	Culture, Tourism & Sport	3,982	3,974	(8)	-0.2%	316	316	0
66	Property	(626)	(1,139)	(513)	-81.9%	120	120	0
700	Total Economy, Environment & Culture	37,794	37,135	(659)	-1.7%	1,923	1,923	0
(715)	Further Financial Recovery Measures (see below)	-	0	0	-	-	-	-
(15)	Residual Risk After Financial Recovery Measures	37,794	37,135	(659)	-1.7%	1,923	1,923	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
	Financial Recovery Plan	The financial recovery measures proposed at Month 7 and the impact of spending controls have now been fully reflected in the service forecasts.
Transport		
(1,350)	Parking Services	Forecasts based on parking income generated to date suggest a net overachievement of (£1.220m) in 2019/20. This is substantially due to higher than budgeted Penalty Charge Notice, on-street parking income and parking suspension income. It should be noted that parking income is demand led and difficult to predict and minor variations in demand can and do result in significant changes in income achieved. Forecasts are regularly reviewed throughout the year. The forecast includes £0.038m additional pressure following approval of the Independent Remuneration Panel's recommendation to retain Members parking permits at Norton Road and The Lanes car parks. Various other less significant favourable variances total approximately (£0.170m).

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(150)	Concessionary Bus Fares	The Concessionary Bus Fares budget is forecast to underspend due to lower than budgeted agreed contract costs.
(272)	Traffic Management	A forecast overachievement of income from hoardings, tables and chairs and A boards of £0.216m and an overachievement of Temporary Traffic Regulation Orders of £0.120m are partially offset by planned improvements to George Street, Hove and encampment protections in King's Place of £0.061m, higher than budgeted highway licensing software costs of £0.020m and a contribution towards Pride transport measures at Brighton station of £0.010m.
150	Transport Projects and Engineering	Bus shelter advertising receipts are forecast to exceed budget by £0.145m and are more than offset payments to bus operators which are forecast to exceed budget by £0.110m and bus shelter building works of £0.173m.
City Environmental Management		
750	City Clean	The forecast overspend is substantially the result of higher than budgeted staff costs due to additional communal bin rounds/additional collection drivers and operatives; increased costs following the fire at the Hollingdean Waste Transfer Station; and operational support for City Parks. In addition, the latest forecast for commercial services (trade and garden waste) is to be on target.
550	Fleet & Maintenance	£1.050m over budget for vehicle costs/hire, staffing and other costs (including £0.100m for external consultants to meet statutory requirements) partly offset by higher than budgeted income of £0.200m) and lower than budgeted unsupported borrowing costs of (£0.300m). Vehicle costs are forecast to be lower than 2018/19 (with the exception of vehicle hire costs).
140	Stategy & Projects	An overspend is forecast on public conveniences cleaning contract costs £0.060m and underacheivement of income against budget of £0.080m.
(100)	City Parks	City Parks is forecast to underspend against budget for 2019/20 largely due to vacancies and the result of spending controls.
City Development & Regeneration		
125	Developmental Planning	Additional expenditure required on agency staff and consultants to support the large number of major developments in the city.
60	Assistant Director - EEC	The forecast overspend of £0.060m is the agreed ongoing contribution to Legal Services for a permanent additional contracts lawyer to assist with EEC projects and contracts. The 2018/19 contribution was funded by a one-off allocation from capital funds. The ongoing contribution is unbudgeted and requires funding on a recurring basis.
(11)	Planning Policy and Major	Minor net variation.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
	Projects	
(18)	Business Development and Customer Services	Minor net variation.
(12)	Sustainability & International	Minor net variation.
Culture, Tourism & Sport		
0	Arts	Forecast on budget.
(2)	Royal Pavilion and Museum	Minor net variation.
(27)	Sport and Leisure	Reduced expenditure due to controls in place.
0	Tourism and Marketing	Forecast on budget.
21	Venues	Minor net variation.
Property		
(513)	Property and Design	Unauthorised occupation of vacant buildings and managing tent encampments has put unforeseen and ongoing pressures on Premises Security budgets, plus the growing number of requests for emergency tree work is still putting pressure on the Maintenance budgets but there have been some significant changes and improvements in other areas to mitigate this. Following the latest quarterly review the estimated cost of Corporate Landlord Utilities has reduced by £0.100m and in-year staffing vacancies mean that the annual Planned Maintenance Budget is now expected to be underspent by £0.100m. The initial rental income pressures on Estates have also now been mitigated by the income generated from the purchase of Lyndean House and Phoenix House and recent favourable rent reviews on the commercial portfolio have led to unforeseen backdated rent income for several properties in excess of £0.400m.

Housing, Neighbourhoods and Communities

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
1,230	Housing General Fund	5,350	6,461	1,111	20.8%	143	143	0
(30)	Libraries	4,650	4,620	(30)	-0.6%	231	231	0
0	Communities, Equalities & Third Sector	2,872	2,872	0	0.0%	121	121	0
0	Safer Communities	2,518	2,418	(100)	-4.0%	458	458	0
1,200	Housing, Neighbourhoods & Communities	15,390	16,371	981	16.1%	953	953	0
(1,230)	Further Financial Recovery Measures (see below)	-	(1,164)	(1,164)	-	-	-	-
(30)	Residual Risk After Financial Recovery Measures	15,390	15,207	(183)	-1.2%	953	953	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Further Directorate Financial Recovery Measures		
(1,164)	Further Financial Recovery Measures projection	Housing General Fund services have a challenging savings target which is only partly met together with a forecast overspend in Temporary Accommodation. There are a range of ongoing measures being put in place in Temporary Accommodation to deliver a balanced and sustainable budget. However, if these measures are unsuccessful this year, the Flexible Homelessness Support Grant can be used as a last resort to mitigate any final in-year overspend.
Housing General Fund		
288	Housing General Fund savings	There are £0.250m of savings required of the Housing General Fund (some from 2017/18) to be identified and £0.038m administrative support savings unmet for the directorate.
864	Temporary Accommodation	The forecast overspend is the result of higher than budgeted volumes and costs of temporary accommodation due to continuing local pressures and bedding in the statutory requirements of the Housing Reduction Act. The number of households in temporary accommodation reduced by 208 to 1,495 by the end of 2018/19 but has not continued to

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		decrease to the expected levels. The service continues to work to reduce the volume of households in temporary accommodation by focusing on earlier prevention of homelessness and using available grant funding to transform the service. The service is on track to increase the number of households prevented from becoming homeless compared to 2018/19 and has also increased the number of households moving into private rented accommodation. Targeted moves to social housing are being achieved in relation to the Allocation Plan but numbers in temporary accommodation remain higher than anticipated. While leased accommodation was reduced in anticipation of a reduction in numbers of households, which did not reduce as quickly, the impact has been an increased use of spot purchase accommodation. Work is underway to increase leased accommodation to relieve pressure form the more expensive short term & emergency accommodation.
250	Seaside Homes	The forecast overspend is substantially the result of lower income collection following the impact of Universal Credit roll-out and tenancy turnover. The service are focusing on improving income collection, which will be more difficult as Universal Credit is rolled out, and improving void turnaround times. The council has agreed in principle with Seaside Homes to make changes to the agreement to offer fixed term tenancies and thereby discharge the Housing duty, enabling households to remain longer term (reducing churn or turnover). However, this will take a little more time to deliver as Seaside's lender needs to give consent and the change requires a variation to the Overarching Agreement. The service continues to discuss the position with the DWP and has committed addition resources to rent collection for the next three months.
(200)	Housing Options	Staff turnover remains high in this service and overall staff costs are currently forecast to underspend by £0.200m for 2019/20.
(102)	Travellers	The underspend includes an accrual for waste water costs of (£0.035m) which is no longer required. There were also underspends on rubbish clearance (£0.043m) and legal costs (£0.024m) due to fewer unauthorised encampments in the city during 2019/20.
22	Executive Director HNC	This overspend is due to extra non-staff employee costs such as the recruitment for a new executive director and management training costs not budgeted for.
(11)	Housing Strategy and Enabling	Variance less than £0.100m.
Libraries		
(30)	Various	Variance less than £0.100m.
Safer Communities		

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
(100)	Environmental Health & Licensing	Net underspend against staffing as a result of vacancies across the service. Current vacancies are either in the process of being recruited to or will be offered as part of the savings identified for 2020/21.

Finance & Resources

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
44	Finance (Mobo)	65	124	59	90.8%	30	30	0
55	HR & Organisational Development (Mobo)	1,061	1,116	55	5.2%	0	0	0
150	IT&D (Mobo)	5,915	6,030	115	1.9%	65	0	65
0	Procurement (Mobo)	(416)	(416)	0	0.0%	0	0	0
100	Business Operations (Mobo)	92	192	100	108.7%	0	0	0
0	Revenues & Benefits (Mobo)	5,004	4,954	(50)	-1.0%	192	192	0
(347)	Housing Benefit Subsidy	(901)	(1,221)	(320)	-35.5%	0	0	0
213	Contribution to Orbis	13,216	13,286	70	0.5%	735	735	0
215	Total Finance & Resources	24,036	24,065	29	0.1%	1,022	957	65

Mobo = Budgets held by Orbis and **M**anaged **o**n **b**ehalf **o**f the relevant partner i.e. they are sovereign, non-partnership budgets.

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Finance (Mobo)		
59	Finance (including Audit)	The service is forecasting a pressure for the year of £0.059m, mainly due to higher than expected IT Systems costs following a number of mandatory upgrades, additional one-off external audit fees, and a reduced contribution from the Dedicated Schools Grant for Schools Forum support.
HR & Organisational Development (Mobo)		
55	HR & OD	At Month 9 the service is forecasting an overspend of £0.055m. As a result of the transfer of a union representative into the HR Union budget, but with no extra resources, there is a pressure of £0.050m against the funding of union facility time. There is also a pressure of £0.025m against internal income recovery, but it is expected to be partly offset by various minor underspends elsewhere in the service of £0.020m.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
IT&D (Mobo)		
115	IT&D	At Month 9, IT&D are forecasting a net pressure of £0.115m due to budget pressures in some areas, particularly IT contracts and savings targets. There has been a further reduction in the expected contract spend which has improved the position this month. Although there have been some individual contract savings, there is still a pressure in the contracts budget. To manage this in 2019/20 there has been a re-examination of funding within the Modernisation Fund including the substantial allocation agreed in February 2019. These allocations include two years contracts costs for Mendix and Dell Boomi, and also resources brought forward to support the Digital Organisation Plan. This funding has now been applied to offset the initial overspend of £1.050m.
Business Operations (Mobo)		
100	Business Operations	There is an expected overspend of £0.100m. There is an increase in system costs in respect of the iTrent HR/Payroll system, Civica Financials system and ICON income management system, which have arisen due to renegotiation of contracts. This is partially offset by an overachievement in recruitment advertising income.
Revenues & Benefits (Mobo)		
(50)	Revenues & Benefits	The service is forecast to underspend by £0.050m compared to a breakeven position at Month 9 and the main reason for this is further staff vacancies of £0.050m, further grant income £0.046m offset in part by increased shortfall in court costs income of £0.037m, and an increase of £0.010m in awards of Discretionary Housing Payments. There is also a forecast overspend on awards through the Discretionary Social Fund of £0.030m although this has been funded by using the residual funding available from the Welfare Reform reserve. Overall, the total variances for the service are underspends on staffing of £0.188m and additional grant income of £0.062m which are offsetting underachievement in court costs income of £0.143m and an overspend on bank charges of £0.056m.
Housing Benefit Subsidy		
(320)	HB Subsidy	The overall forecast is an underspend of £0.320m which is a worsening of £0.027m from Month 7. The deterioration all relates to the forecast surplus on the recovery of overpaid Council Tax Benefit which now stands at £0.158m.The main subsidy budgets show a surplus of £0.162m which is unchanged from Month 7. Within this the forecast subsidy loss on a particular type of benefit for vulnerable tenants, which is not fully subsidised by government, is £0.279m worse than budget but most significantly the forecast position on the net recovery of overpayments is £0.465m better than budget. There are other minor

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		adverse variances of £0.024m.
F&R Contribution to ORBIS		
70		The Orbis forecast for Month 9 of £0.320m comprises staffing pressures of £0.331m, other costs of £0.528m and expected income overachievements of £0.539m. This overspend would lead to a higher contribution cost to BHCC of £0.070m based on currently agreed contribution ratios.

Strategy, Governance & Law

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Corporate Policy	697	697	0	0.0%	24	24	0
(20)	Legal Services	1,331	1,256	(75)	-5.6%	93	93	0
(20)	Democratic & Civic Office Services	1,740	1,695	(45)	-2.6%	78	78	0
331	Life Events	122	477	355	291.0%	316	155	161
(12)	Performance, Improvement & Programmes	645	633	(12)	-1.9%	46	46	0
0	Communications	1,036	994	(42)	-4.1%	51	51	0
279	Total Strategy, Governance & Law	5,571	5,752	181	3.2%	608	447	161

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Legal Services		
(75)	Legal Services	An underspend variance of £0.075m is reported, being a projected increase in external income.
Democratic & Civic Office Services		
(45)	Democratic Services	There is a forecast underspend of £0.045m due to vacancies of £0.035m and income overachievements of £0.010m.
Life Events		
355	Life Events	At Month 9 the declared pressure is £0.355m, compared to £0.331m last month. The Registrars Service had an extra £0.200m saving to deliver against statutory fees for certificates following the significant statutory price rise, however there has been a higher than expected drop in demand as a result of the price increase from £4 to £11. Additionally there is a drop in the numbers of marriage and civil partnership ceremonies being booked, partially attributed to the higher number of people having their ceremony overseas. Added to this, it is noticeable that where ceremony bookings are being taken in Brighton & Hove, customers are choosing lower priced options.

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
		This has led to a pressure of £0.230m. In light of the pressure arising from the saving, it is expected that the shortfall will be partly offset by corporate risk provision funding of £0.050m as set aside in the budget approved by full Council. The service, liaising with Finance, will continue to re-examine this forecast through the year. Elsewhere in Registrars, the termination of services, in particular of nationality checking services, has led to a further pressure of £0.063m and there are other income pressures of £0.034m. Following the completion of the General Election, it has been possible to undertake a more thorough assessment of the Electoral Services budgets – this has shown an underspend of £0.068m due to staff vacancies carried throughout the year and reduced postage costs at the Annual Canvass. The underspend takes into account costs that will not be recovered from the Cabinet Office for the European Parliament and General Elections. Bereavement Services have also flagged up likely commitments for cemetery works, covering urgent repairs and maintenance for roadways and trees costing an estimated £0.100m. The service is also declaring an expected overspend of £0.027m, being income pressure of £0.060m (especially for Memorials and in the Mortuary), and offset by various underspends totalling £0.033m. In Local Land Charges, an increase in (cheaper) Private Searches has led to an expected income shortfall of £0.052m. There were vacancy savings in Registrars of £0.029m and other underspends of £0.004m.
Performance, Improvement & Programmes		
(12)	Performance, Improvement & Programmes	Vacancies.
Communications		
(42)	Communications	At month 9 the service is reporting an underspend of £0.042m, being mainly reduced supplies and services costs (£0.031m) and vacancies (£0.011m).

Corporate Budgets

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
0	Bulk Insurance Premia	3,069	3,069	0	0.0%	0	0	0
0	Capital Financing Costs	5,663	5,663	0	0.0%	0	0	0
0	Levies & Precepts	207	207	0	0.0%	0	0	0
0	Unallocated Contingency & Risk Provisions	22	22	0	0.0%	0	0	0
(42)	Unringfenced Grants	(25,320)	(25,382)	(62)	-0.2%	0	0	0
174	Other Corporate Items	5,534	6,083	549	9.9%	56	22	34
132	Total Corporately-held Budgets	(10,825)	(10,338)	487	4.5%	56	22	34

Explanation of Key Variances

Key Variances £'000	Service Area	Variance or Financial Recovery Measure Description
Capital Financing Costs		
170	Investment Income	Reduction in investment income as a result in lower than anticipated investment rates.
(170)	Contribution from Reserves	Planned use of Financing Cost reserves to offset the investment income pressure above.
Unringfenced Grants		
(62)	Releasing grant pressure funding	Releasing residual grant pressure funding of £0.062m for specific grants following announcement of the Department for Health - Local Reform and Community Voices Grant.
Other Corporate Items		
34	Pension Costs	Costs for 2019/20 not known at time of setting the budget are higher than anticipated.
560	Corporately held VFM Savings	A number of savings cross more than one service or may be council-wide, and are held corporately until allocated to specific services once their achievement is confirmed. This variance represents savings at risk, primarily relating to Sustainable Social Care savings measures. This is also reflected in the monitoring of savings at Appendix 5.
(45)	Other budgets	Minor net variances.

Housing Revenue Account (HRA)

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
(320)	Capital Financing	31,335	31,015	(320)	-1.0%	0	0	0
(230)	Housing Management & Support	4,521	4,291	(230)	-5.1%	80	80	0
(30)	Head of City Development & Regeneration	316	286	(30)	-9.5%	0	0	0
(520)	Income, Involvement & Improvement	(46,303)	(46,918)	(615)	-1.3%	50	50	0
800	Property & Investment	7,969	8,719	750	9.4%	100	100	0
100	Tenancy Services	2,162	2,312	150	6.9%	50	50	0
(200)	Total Housing Revenue Account	0	(295)	(295)	0.0%	280	280	0

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Capital Financing		
(320)	Financing costs	Significant reprofiling of HRA capital expenditure from 2018/19 into 2019/20 impacts on the timing of when borrowing is required to be undertaken to fund the expenditure. This has resulted in lower interest charges being incurred during 2019/20, compared to the original budget forecast, as at Month 2.
Housing Management & Support		
(100)	Rents	Projected income is more than the budget assumptions for Temporary Accommodation.
(30)	Employee costs	Projected underspend on agency staff budget.
(100)	Transfer Incentive Scheme	This service assists tenants to down-size or to move into more suitable or accessible accommododation. Each case takes time to complete and current expenditure levels indicate that this budget will be underspent by £0.100m.
Head of City Development & Regeneration		
(30)	Employee costs	Greater capitalisation of salaries than budgeted.
Income, Involvement & Improvement		
(410)	Rents	Reduced level of rent lost through voids and projected income is slightly more than budget

Key Variances £'000	Service Area	Variance Description
		assumptions due to the increase in the number of homes purchased for affordable rent.
(250)	Employee costs	Forecast underspend due primarily to staff vacancies in the Income Management team and Performance and Improvement.
65	Contibution to bad debt provision	Rent arrears have increased significantly during 2019/20 largely due to tenants transferring to Universal Credit. Therefore it is likely that the HRA contribution to the bad debt provision will overspend by £0.065m.
(20)	Mutual Exchange support	An underspend of £0.020m is forecast against this budget line.
Property & Investment		
800	Leaseholder - Service Charges Major Works	A lower than expected level of leasehold service charge is being forecast for major works in 2019/20. Provision in the HRA budget allowed for billing of £1.8m, based on likely completion times for a large number of projects and the fact that previous years' estimates had been under the level of billing. Due to some projects taking longer to complete or reach final account, a lower level of £1m was actually billed in 2019/20 with the remainder forecast to be billed in 2020/21.
(50)	Mechanical & Engineering Service & maintenance contracts	The underspend against service and maintenance contracts is mainly due to works not being required as the year has progressed.
Tenancy Services		
(100)	Rents & Service Charges	Projected income is slightly more than budget assumptions for Seniors Housing.
90	Premises	Council Tax costs are higher than budgeted and there are additional costs for rubbish clearance, resulting from an increase in fly-tipping.
120	Employees costs	Projected overspend as a result of additional staff cover and regrading.
40	Supplies & Services	Small overspend across the service.

Dedicated Schools Grant (DSG)

Revenue Budget Summary

Forecast Variance Month 7 £'000	Service	2019/20 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Individual Schools Budget (ISB)	127,539	127,539	0	0.0%
(341)	Early Years Block (excluding delegated to Schools) *(This includes Private Voluntary & Independent (PVI) Early Years 3 & 4 year old funding for the 15 hours free entitlement to early years education)*	13,712	13,362	(350)	-2.6%
10	High Needs Block (excluding delegated to Special Schools)	20,471	20,392	(79)	-0.4%
34	Exceptions and Growth Fund	2,886	2,931	45	1.6%
0	Grant Income	(163,805)	(163,805)	0	0.0%
(297)	Total Dedicated Schools Grant (DSG)	803	419	(384)	-47.8%

Explanation of Key Variances

Key Variances £'000	Service Area	Variance Description
Early Years Block (including delegated to Schools)		
(22)	Additional Support Funding for 2, 3 & 4 year olds	Estimated underspend for 2 year olds.
(102)	Early years free entitlement	Anticipated retrospective adjustment made by DfE for 2018/19 provision.
(95)	Early years free entitlement 2 year olds	Estimated underspend for 2 year old payments to Private, Voluntary & Independent (PVI) providers.
(125)	Early years free entitlement 3 & 4 year olds	Estimated underspend for 3 & 4 year old payments to PVI providers.
(6)	Other	Balance of variances on other cost centres.
High Needs Block (excluding delegated to Schools)		
92	Inclusion Support Service	Impact of school traded service element for BHISS (£0.101m) and Literacy Support Service (£0.009m).

Key Variances £'000	Service Area	Variance Description
(398)	FE and post-19 specialist provision	FE college and post-19 specialist provision - placements for 2019/20 academic year being finalised.
55	High needs pupils in other LAs	Increase in the number of high needs pupils being educated in other local authority provision.
126	High needs top-up funding	Projected overspend for provision within mainstream and special schools within the city.
104	Agency Placements	Projected overspend for new placements in the Autumn Term.
(55)	Unallocated HNB	Balance of 2018/19 carryforward to be allocated.
(3)	Other	Balance of variances on other cost centres.
Exceptions and Growth Fund		
35	Historic Pension costs	Historic pension liabilities.
10	Other	Balance of variances on other cost centres.

Savings Monitoring 2019/20

General Fund

Directorate	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Families, Children & Learning	3,320	3,200	120
Health & Adult Social Care	4,354	3,721	633
Economy, Environment & Culture	1,923	1,923	0
Housing, Neighbourhood & Communities	953	953	0
Finance & Resources	287	222	65
ORBIS	735	735	0
Strategy, Governance & Law	608	447	161
Corporate Budgets	56	22	34
Total Directorate Savings	**12,236**	**11,223**	**1,013**

Housing Revenue Account

Directorate	2019/20 Savings Proposed £'000	Savings Achieved/ Anticipated £'000	Savings At Risk £'000
Housing Revenue Account	280	280	0
Total HRA Savings	**280**	**280**	**0**

Families, Children & Learning – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Director of Families, Children & Learning	0	0	0	0	0	0	0	0.0%
0	Health, SEN & Disability Services	43	0	0	0	43	43	0	0.0%
0	Education & Skills	37,374	0	85	(26,258)	11,201	11,201	0	0.0%
0	Schools	122	0	0	0	122	122	0	0.0%
0	Children's Safeguarding & Care	72	0	0	0	72	72	0	0.0%
0	Quality Assurance & Performance	0	0	0	0	0	0	0	0.0%
0	Total Families, Children & Learning	37,611	0	85	(26,258)	11,438	11,438	0	0.0%

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

Detail Type	Amount £'000	Project	Description
Education & Skills			
Variation	(130)	Capital Maintenance 2019/20	Lower than originally estimated Capital Grant announced from Government has reduced the budget by £0.130m.
Variation	(20)	Devolved Formula Capital 2019/20	Variation of less than £0.100m.
Reprofile	(24,210)	New Pupil Places	Work is progressing on-site with the SEND projects at Downs View and Hill Park Schools through the Strategic Partnership. There have been delays and design changes to ground work and buildings. As a result, spend has been lower than projected with costs predominantly being fees and investigations. Colleagues have been visiting schools and meeting Head Teachers to discuss priorities for spend. Work will continue in 2020/21 and further updates will be brought back to this Committee.
Reprofile	(125)	Capital Maintenance 2018/19	Some major refurbishment work at Hill Park was intended to be combined with the SEND project, however due to delays on the SEND project this refurbishment work is required to be reprofiled to 2020/21. It is intended to complete this by the summer 2020.
Reprofile	(279)	Healthy Pupils \ Surrenden Pool	The level of budget has enabled the council to look beyond providing a modern and suitable air handling / ventilation system for the pool and look to address a number or

Detail Type	Amount £'000	Project	Description
			leaks. A comprehensive package of work was tendered in December and the tender returns have been high. The returns, however, offer value for money and the work is essential to maintain a much needed pool asset for the City. Additional funds of £0.200m have been identified from Capital Maintenance Grant that is reprofiled into 2020/21 and will be added to the existing budget for 2020/21. Work is due to start in the new financial year.
Reprofile	(1,493)	Capital Maintenance 2019/20	There have also been a number of large projects in the programme which have been delayed due to the SEND project or secondary capital works being undertaken. Some proposed works have been delayed due to asbestos being identified in areas linked to the works. A reprofile into 2020/21 is therefore required.

Health & Adult Social Care – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Adult Social Care	605	0	0	0	605	605	0	0.0%
0	Integrated Commissioning	514	0	0	0	514	514	0	0.0%
0	S75 Sussex Partnership Foundation Trust (SPFT)	0	0	0	0	0	0	0	0.0%
0	Public Health	0	0	0	0	0	0	0	0.0%
0	Total Health & Adult Social Care	1,119	0	0	0	1,119	1,119	0	0.0%

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

There are no variations, slippages, reprofiles or variances to report within this directorate for TBM month 9.

Economy, Environment & Culture – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Transport	28,195	(1,000)	80	(9,328)	17,947	17,947	0	0.0%
0	City Environmental Management	6,621	0	0	34	6,655	6,655	0	0.0%
0	City Development & Regeneration	9,793	265	0	(4,536)	5,522	5,522	0	0.0%
0	Culture, Tourism & Sport	16,323	0	0	(11,073)	5,250	5,250	0	0.0%
0	Property	12,117	0	70	(1,061)	11,126	10,956	(170)	-1.5%
0	Total Economy, Environment & Culture	73,049	(735)	150	(25,964)	46,500	46,330	(170)	-0.4%

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

Detail Type	Amount £'000	Project	Description
Transport			
Reported at other committees	(1,000)	Maintenance of Principal Roads Highway Maintenance	Accounting adjustment to align Local transport Plan (LTP) budgets. Approved at Policy, Resources & Growth Committee in March 2019.
Variation	100	Exhaust Converters on Older Buses	Allocation of SCRIF (Sustainability & Carbon Reduction Investment Fund) projects to schemes approved at the SCRIF Members Oversight Group in November 2019.
Variation	226	Various	Variations of less than £0.100m across the following schemes as a result of the allocation of the SCRIF fund: £0.020m SCAPE Carden Av & Norton Rd; £0.026m School Streets; £0.050m Eldred Avenue Sustainable Drainage System (SuDS); £0.080m Preston Park Sustainable drainage System (SuDS); and £0.050m Electric Vehicle Fast Chargers.
Reprofile	(4,113)	Street Lighting Maintenance (LTP)	This project is now in delivery phase with approximately one third of LED lightings installed and 1,000 columns replaced across the city. The revised profile reflects the contractor work plan following consideration of resources, supply chain, lead delivery time for specialist materials and availability of the working areas. Revenue savings are

Detail Type	Amount £'000	Project	Description
			still expected to be made, with a temporary reduction in ongoing maintenance works offsetting delays to electricity savings.
Reprofile	(3,113)	Valley Gardens - Phases 1 & 2	The project had a slow construction start that did not fully recover and included a change in programming some of the high value works. The project is expected to complete in late summer 2020.
Reprofile	(2,427)	Valley Gardens Phase 3 (LTP)	The effect of the delay to Phase 1 & 2 has impacted on the start date for Phase 3 coupled with the a longer timeline in agreeing the funding agreement with the LEP. The majority of the spend is required to be reprofiled to 2020/21 with the project expected to be finalised in 2021/22.
City Environmental Management			
Variation	34	Community Composting	Variation of less than £0.100m as part of the allocation of the SCRIF fund.
City Development & Regeneration			
Approved at other committees	265	The Brighton Research & Innovation Fibre Ring	Subject to report approved on this agenda (Policy & Resources Committee 13 February 2020).
Reprofile	(500)	Madeira Terraces Regeneration	The design team are due to be commissioned in late 2019/20 and work on the design of the project is expected to be undertaken in the early part of 2020/21 and continue throughout the financial year.
Reprofile	(436)	Madeira Terraces Crowd Funding	The project is currently appointing a design team and the proposed construction, implementation and fit-out is expected to commence early in 2021/22. This budget supports the cost of the initial 3 arches.
Reprofile	(3,600)	Contribution to Housing JV	The purchase of the site at Coldean and associated fees with a land purchase has been delayed until the new financial year requiring a reprofile of the budget
Culture, Tourism & Sport			
Reprofile	(11,073)	Royal Pavilion Estate (Phase 1)	The main contractor for works at Brighton Dome's Corn Exchange and Studio Theatre ceased trading and left the site on 1 July 2019, subsequently entering into a Company Voluntary Arrangement (CVA). The council immediately secured the site and has taken action to ensure the site is as safe as possible and steps put in place to recover the project. A Management Contractor was procured to carry out emergency and remedial works to secure and weatherproof the buildings and these works are progressing. A further stage will be required to complete the works and commission the installations. Until a contractor is put in place to carry out these finishing works the total project cost is unknown and the project budget will increase once contracts have been agreed. The

Detail Type	Amount £'000	Project	Description
			reprofile relates to the current approved budget, and further Committee approval will be required at a later date once an accurate estimate of the total scheme costs can be made.
Property			
Variation	(359)	Sustainability & Carbon Reductions Investment	Allocation of SCRIF (Sustainability & Carbon Reduction Investment Fund) projects to schemes approved at the SCRIF Members Oversight Group in November 2019. These schemes are detailed elsewhere within this Appendix.
Slippage	(110)	Stanmer Park Agricultural Buildings	Work towards the renovation of the Traditional Agricultural Buildings at Stanmer Park is due to commence in the new financial year when the Business Case is finalised.
Slippage	(110)	Bart's Cladding & Window Replace Phase 1	Delays in finding a suitable procurement route means the project will be delayed. Anticipated start in March 2020 means that spend will be slipped to the next financial year.
Slippage	(150)	Various	Slippage of less than £0.100m across the following schemes: (£0.060m) BTH - PMB Contribution to Refurbishment; (£0.050m) Bart's House Mechanical Ventilation – Asset Management Fund (AMF); (£0.040m) Statutory DDA Access Works Fund.
Reprofile	(332)	Purchase of Phoenix House	Balance held for renovation and maintenance work on the building which is due to be undertaken in the new financial year.
Variance	(170)	Hove Town Hall - South End Office Refurb	Project has completed with final settlement of account. There is an underspend against the projected spend which was funded through borrowing.

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

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Housing General Fund	4,485	0	0	(2,100)	2,385	2,385	0	0.0%
0	Libraries	301	0	0	(289)	12	12	0	0.0%
0	Communities, Equalities & Third Sector	0	0	0	0	0	0	0	0.0%
0	Safer Communities	0	0	0	0	0	0	0	0.0%
0	Total Housing, Neighbourhoods & Communities	4,786	0	0	(2,389)	2,397	2,397	0	0.0%

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

Detail Type	Amount £'000	Project	Description
Housing General Fund			
Variation	(2,100)	Purchase of Emergency and Temporary Accommodation	Subsequent to the approval of the purchase of Gladstone Court at the Housing Committee of 15th January 2020 and Policy & Resources Committee on 23rd January 2020 a budget variation of the £2.100m from the GF to the HRA is requested. The purchase of the block is expected to take place this year. The additional budget required by the HRA will be funded from Right to Buy Receipts and HRA Borrowing.
Libraries			
Slippage	(250)	Libraries Self-Service Renewal	The self-service kiosk project has been delayed to ensure that the systems procured integrate fully with existing and developing corporate finance systems. Therefore the procurement is now not expected to take place until late 2020.
Reprofile	(39)	Hove Library Redevelopment	Reprofile of less that £0.100m.

Housing Revenue Account (HRA) – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
186	City Development & Regeneration	7,819	0	0	770	8,589	8,736	147	1.7%
(353)	Housing Revenue Account	43,929	0	0	2,697	46,626	45,760	(866)	-1.9%
(167)	Total Housing Revenue Account	51,748	0	0	3,467	55,215	54,496	(719)	-1.3%

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

Detail Type	Amount £'000	Project	Description
City Development & Regeneration			
Reprofile	990	Selsfield Drive	Completion of the project is due in the Autumn of 2020. The reprofile reflects the updated project delivery timeline, which had been bought forward from previous estimates.
Reprofile	310	Buckley Close	Completion of the project is due in the Summer of 2020. The reprofile reflects the updated project delivery timeline, which had been bought forward from previous estimates.
Reprofile	20	Victoria Road	No further costs are expected to be incurred for his project in 2019/20. A cost review is being undertaken on the Sports Pavilion which is due to commence early 2020/21. The housing development is due to commence in the autumn of 2020, a cost review is also being undertaken on the housing development to ensure Value for Money is achieved.
Reprofile	(550)	Estate Regeneration New Build	The council is aware of concerns within the Whitehawk community regarding the future of the Valley Social Centre following its recent closure. In acknowledgement of the current situation, the council felt that it would be appropriate to pause any plans to potentially purchase the site until such time that the constitutional and other issues are concluded. This is likely to run into the next financial year, therefore the budget will be reprofiled into next financial year.
Variance	147	Various	Variances of less than £0.100m across the following schemes: £0.078m Redevelopment of HRA Vacant Garage Sites; £0.002m Brookmead Site Development; £0.044m Wellsbourne Development; £0.001m Lynchet Close; and

Detail Type	Amount £'000	Project	Description
			£0.022m Oakley House.
Housing Revenue Account			
Variation	(355)	Environmental Improvements	The Estates Development Budget is included within the capital programme. However, the types of works being carried out are of a revenue nature and the funding is being adjusted to reflect this.
Variation	(300)	Fire Safety	Consultation with residents has led to changes to the specification for sprinkler installations in two blocks in the city. As a result the project is now in line to commence in 2020/21. There is sufficient budget already profiled to 2020/21 to fund the project. Procurement of contractors for future works is in place.
Variation	430	Communal Boilers	Additional spend required within year for the upgrade of the plant room at Nettleton & Dudeney in addition to the replacement of Heat Interface Units in individual flats. This has been required after significant boiler failure early in 2019 in the existing plant room on top of prolonged periods of disruption to heating and hot water supply caused by numerous issues and problems with plant room design over recent years.
Variation	5,520	Home Purchase Scheme	Subsequent to the approval of the purchase of Gladstone Court at Policy & Resources Committee on 23rd January 2020, a budget variation of £3.420m for additional budget and of £2.100m to be varied from the GF is requested. The purchase of the block is expected to take place this year, whilst the refurbishment works at Gladstone Court will take place during 2020/21 so a budget re-profile of £1.448m is also required. All additional budget to the HRA will be funded by Right to Buy Receipts and HRA Borrowing.
Reprofile	(400)	Converting Spaces in Existing Buildings	Project specific technical investigations, enquiries and clarifications with energy suppliers and additional resident engagement has led to a change in the spend profile against the Bristol Estate conversion works.
Reprofile	(600)	Oxford Street	The spend profile for this project has been reviewed to align with a revised construction programme following planning approval. Less expenditure will be incurred this financial year than originally forecast and this has now been profiled for 2020/21. The overall cost remains in line with the project budget.
Reprofile	(150)	Home Energy Efficiency & Renewables	The installation of solar panels at the Housing Centre has been profiled to 2020/21. This will help to deliver CO2 savings, with the potential to save up to £0.016m annually on electricity costs.
Reprofile	(1,448)	Home Purchase Scheme	Subsequent to the approval of the purchase of Gladstone Court at Policy & Resources Committee on 23rd January 2020, a budget variation of £3.420m for additional budget

Detail Type	Amount £'000	Project	Description
			and of £2.100m to be varied from the GF is requested. The purchase of the block is expected to take place this year, whilst the refurbishment works at Gladstone Court will take place during 2020/21 so a budget re-profile of £1.448m is also required. All additional budget to the HRA will be funded by Right to Buy Receipts and HRA Borrowing.
Variance	(365)	Other Mech & Electrical Service Contracts	The procurement of a new fire alarms contract has resulted in a delay to the proposed capital works programme for this year. Changes to the sprinkler installation programme following consultation with residents has impacted on expenditure for cold water mains, a programme for the removal of water tanks is continuing over the second half of the year. Planned projects in first half of year for ventilation works not progressed due to technical issues at a specific site that requires further planning in the latter part of the year.
Variance	(100)	Lifts	Planned upgrades not carried out due to continued good performance of lifts; minor upgrades to be taken forward in place of full replacements at some sites.
Variance	(284)	Converting Spaces in Existing Buildings	Project specific technical investigations, enquiries and clarifications with energy suppliers and additional resident engagement has led to a change in the spend profile against the Bristol Estate conversion works.
Variance	(182)	Structural Repairs	Savings delivered against the Major Projects budget, mainly as a result of the final cost of works being less than estimated.
Variance	65	Various	Variances of less than £0.100m across the following schemes: £0.065m Minor Capital Works; (£0.001m) Empty Properties; £0.053m Roofing; (£0.081m) Windows; £0.005m Doors; £0.058m City-Wide Loft Conversion & Extension Project; (£0.050m) Condensation & Damp Works; (£0.017m) Door Entry Systems & CCTV; (£0.001m) Fencing; £0.090m Feasibility and Design - P&I; (£0.026m) Fire Safety; £0.055m Oxford Street; (£0.051m) Insulation; (£0.016m) External Decorations & Repairs;

Detail Type	Amount £'000	Project	Description
			(£0.021m) Tilbury Place; and £0.003m Kitchens.

Finance & Resources - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Finance	0	0	0	0	0	0	0	0.0%
0	HR & Organisational Development	0	0	0	0	0	0	0	0.0%
0	IT & D	3,826	0	0	0	3,826	3,826	0	0.0%
0	Procurement	0	0	0	0	0	0	0	0.0%
0	Business Operations	0	0	0	0	0	0	0	0.0%
0	Revenues & Benefits	0	0	0	0	0	0	0	0.0%
0	Total Finance & Resources	3,826	0	0	0	3,826	3,826	0	0.0%

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

There are no variations, slippages, reprofiles or variances to report within this directorate for TBM month 9.

Strategy Governance & Law - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	Reported Budget Month 7 £'000	Reported at Other Committees £'000	New Schemes £'000	Variations, Slippages & Reprofiles £'000	Reported Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Corporate Policy	0	0	0	0	0	0	0	0.0%
0	Legal Services	0	0	0	0	0	0	0	0.0%
0	Democratic & Civic Office Services	0	0	0	0	0	0	0	0.0%
0	Life Events	6	0	0	0	6	6	0	0.0%
0	Performance, Improvement & Programmes	1,807	0	0	0	1,807	1,807	0	0.0%
0	Communications	0	0	0	0	0	0	0	0.0%
0	Total Strategy, Governance & Law	1,813	0	0	0	1,813	1,813	0	0.0%

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

There are no variations, slippages, reprofiles or variances to report within this directorate for TBM month 9.

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

New Capital Project Approval Request	
Directorate:	Families, Children & Learning
Unit:	Early Years and Childcare
Project Title:	Improvements to Early Years Settings
Total Project Cost (All Years):	£85,216

Purpose, Benefits & Risks:

This is Section 106 funding from the Preston Barracks development which has been allocated to the five early years settings closest to the site. These early years settings will receive a grant of £17,043 each to develop their outside areas which will enable them to take more children. The five settings are:

Cherry Tree Nursery, Brentwood Road, Brighton, BN1 7DY (local authority run children's centre nursery)
Little Stars Childcare, Bear Road, Brighton, BN2 4DA (private sector nursery)
New Beginnings Pre-school, Coombe Road Primary School, Coombe Road, Brighton, BN2 4ED (voluntary sector pre-school)
One World Nursery, Tithe Barn, Moulsecoomb Place, Brighton, BN2 4GA (Brighton University nursery)
St Joseph's Pre-school Playgroup, Davey Drive, Brighton, BN1 7DF (private sector pre-school)

The funding will be made in the form of grants, based on proposals received from the early years settings. Each grant will be subject to a five year tapered claw back, should the setting cease operation within that time period.

Capital Expenditure Profile (£'000):

Funding Source	2019/20	2020/21	2021/22	2022/23	2023/24	Total All Years
Section 106	85	0	0	0	0	**85**
Total Estimated Costs & Fees	**85**	**0**	**0**	**0**	**0**	**0**

Financial Implications:

All of the S106 funding is being used to support the 5 early years settings, one of which is a council nursery another at Brighton University and the other three are private sector facilities.

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	Transport
Project Title:	London Road Car Park Capital Works
Total Project Cost (All Years):	£350,000

Purpose, Benefits & Risks:

Currently London Road car park is suffering from an array of major concrete defects that require urgent attention. The condition of the defects are having and will affect the day to day running of the car park, also there are real potential health and safety risks to the uses and the general public. These works have already been delayed from last financial year and if the defects are left any longer there are potential health and safety risks to the users of the car park and the general public. Delaying the remedial works for the identified defects will mean that the remedial cost will be significantly higher. Also further deterioration of the car par park fabric will occur with possible closure of part of the car park and therefore a loss of revenue could occur.

Capital Expenditure Profile (£'000):

Funding Source	2019/20	2020/21	2021/22	2022/23	2023/24	Total All Years
Borrowing	0	270	0	0	0	**270**
Direct Revenue Funding	80	0	0	0	0	**80**
Total Estimated Costs & Fees	**80**	**270**	**0**	**0**	**0**	**350**

Financial Implications:

The works will be funded from a combination of borrowing over 3 years and from a 2018/19 approved revenue carry forward (revenue contribution). This will be funded from within existing Parking Services budgets.

New Capital Project Approval Request	
Directorate:	Economy, Environment & Culture
Unit:	Property
Project Title:	Standean Livestock Building
Total Project Cost (All Years):	£70,000

Purpose, Benefits & Risks:

Due to resource limitations, the council has not been able to maintain or invest sufficiently in its agricultural estates. Many of the buildings were built immediately post WW2 and have reached the end of their useful life. Due to resource constraints and competing priorities, the council does not have capital funds available to fully finance new buildings. A proposal has therefore been agreed with the tenant of Standean Farm whereby both parties share the cost of a new building. In addition to the financial support being provided by the council, the investment also supports the council's aim for longer term diversification opportunities which can help to mitigate a wide range of supply risks, for example, potentially arising from EU withdrawal.

Capital Expenditure Profile (£'000):

Funding Source	2019/20	2020/21	2021/22	2022/23	2023/24	Total All Years
Unsupported Borrowing	70	0	0	0	0	**70**
Total Estimated Costs & Fees	**70**	**0**	**0**	**0**	**0**	**70**

Financial Implications:

The works will be undertaken through borrowing with repayment made over 20 years through additional rental payments over and above the market rent level and represents an additional payment in return for the council's investment. The investment is low risk as the Agricultural Holdings Act Tenancy has been in place since 1963.
Given the low risk associated with the proposal, the requirement for a new building to support the farm business and the success of a similar loan agreement for a new grain store at Housedean Farm, terms have been agreed and a commitment made for the construction of the new building.

POLICY & RESOURCES COMMITTEE	Agenda Item 129 Brighton & Hove City Council

Subject:		**The Brighton Research & Innovation Fibre Ring**		
Date of Meeting:		**13th February 2020**		
Report of:		**Executive Director Economy, Environment & Culture**		
Contact Officer:	**Name:**	**Max Woodford**	**Tel:**	**01273 291666**
	Email:	**max.woodford@brighton-hove.gov.uk**		
Ward(s) affected:		**All**		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This report sets out the proposal to create a Research and Innovation Fibre Ring (R&IR) in the centre of Brighton, which has received support from the Coast to Capital Local Enterprise Partnership. The R&IR is a partnership project, and the report seeks agreement from members for the council to invest in and deliver its proposed parts of the project.

1.2 The R&IR seeks to install a ring of fibre-optic cabling that will connect up key public sector sites in the city centre with the Brighton Digital Exchange (BDX) at New England House, and in doing so also link up the experimental 5G test bed in New England House, operated by the national Digital Catapult, with the new 5G test bed at Brighton Dome. The new fibre optic infrastructure (ducting and cables) will initially be owned by the city council, with space leased to a co-operative of local digital businesses to drive community wealth building.

2. RECOMMENDATIONS:

2.1 That members note the recent award of Local Growth Funding from Coast to Capital LEP to help deliver a Research and Innovation Fibre Ring in Brighton, and agree to enter into a funding agreement with Coast to Capital to access that funding.

2.2 That members agree to the city council investing in the provision of the fibre ring, in line with the business case at Appendix 1.

2.3 That members authorise the Executive Director Economy, Environment and Culture to enter into a partnership agreement with the project partners to agree roles and responsibilities to deliver the project.

2.4 That members agree to the Brighton Digital Exchange (BDX) continuing to occupy space at New England House for a peppercorn rent for 3 years, as part of the city council's match funding for the project.

2.5 That members authorise the Executive Director Economy, Environment and Culture to undertake or participate in any procurement processes necessary to deliver the city council's obligations under the funding agreement.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 In December 2019, Policy & Resources Committee agreed a programme of work towards providing for the refurbishment and expansion of New England House; to commence detailed design, stakeholder engagement and preparation of a business case. New England House is a hugely important asset in driving the growth of the city's tech cluster, for a number of reasons:

- It is the base for Wired Sussex's Fusebox, a unique approach to incubating and supporting businesses.
- It is the base for the Brighton Digital Exchange (BDX). Completed in 2015 and managed by a Co-operative of digital businesses, the BDX is a data centre and connection point that provides ultrafast connectivity and the means to develop and innovate a wide range digital products and services for its members and its end users.
- It is the base for the Digital Catapult Centre Brighton, focusing on projects that encourage innovation from real-time and location-based data to virtual and augmented reality. The centre is currently being used as a test bed for 5G.
- The Fusebox and Digital Catapult stimulate development of new digital and tech ventures, leading to applications that benefit from the infrastructure provided by the Digital Exchange and 5G Testbed.
- It is home to the single largest concentration of creative and tech businesses in Brighton, along with the surrounding New England Quarter. It is a natural focal point for the cluster.
- It provides accommodation that is flexible enough and affordable to accommodate young and rapidly growing tech businesses as they expand.

Full Fibre

3.2 However, to maximise and spread the benefits of this cluster, and the supporting infrastructure, then the city needs to increase its provision of full fibre. Full fibre broadband uses a fibre optic cable to connect from the exchange to homes or businesses without the use of any copper cable. Full fibre offers speeds of 1000Mbps, 20 times faster than the UK average.

3.3 According to the most recent figures from Ofcom, full-fibre availability in the UK stands at just 8%, with around 2.5 million properties covered. This is significantly lower than many other parts of the EU – where only Belgium, Cyprus and Greece have lower levels of full-fibre coverage than the UK. Japan and South Korea both have full-fibre coverage of over 95%.

3.4 The Greater Brighton Economic Board is developing a digital strategy for the city region. There is a significant amount of work underway across the city region to deliver full fibre, and to develop digital services. These digital services are the range of applications, services and capabilities that will make use of the digital infrastructure that is built and drive the economic growth. The draft strategy identifies that different modes of delivering fibre is required for the city region to reflect the diverse nature of the conurbations; from a large urban area like Brighton & Hove to smaller urban areas and then to rural communities.

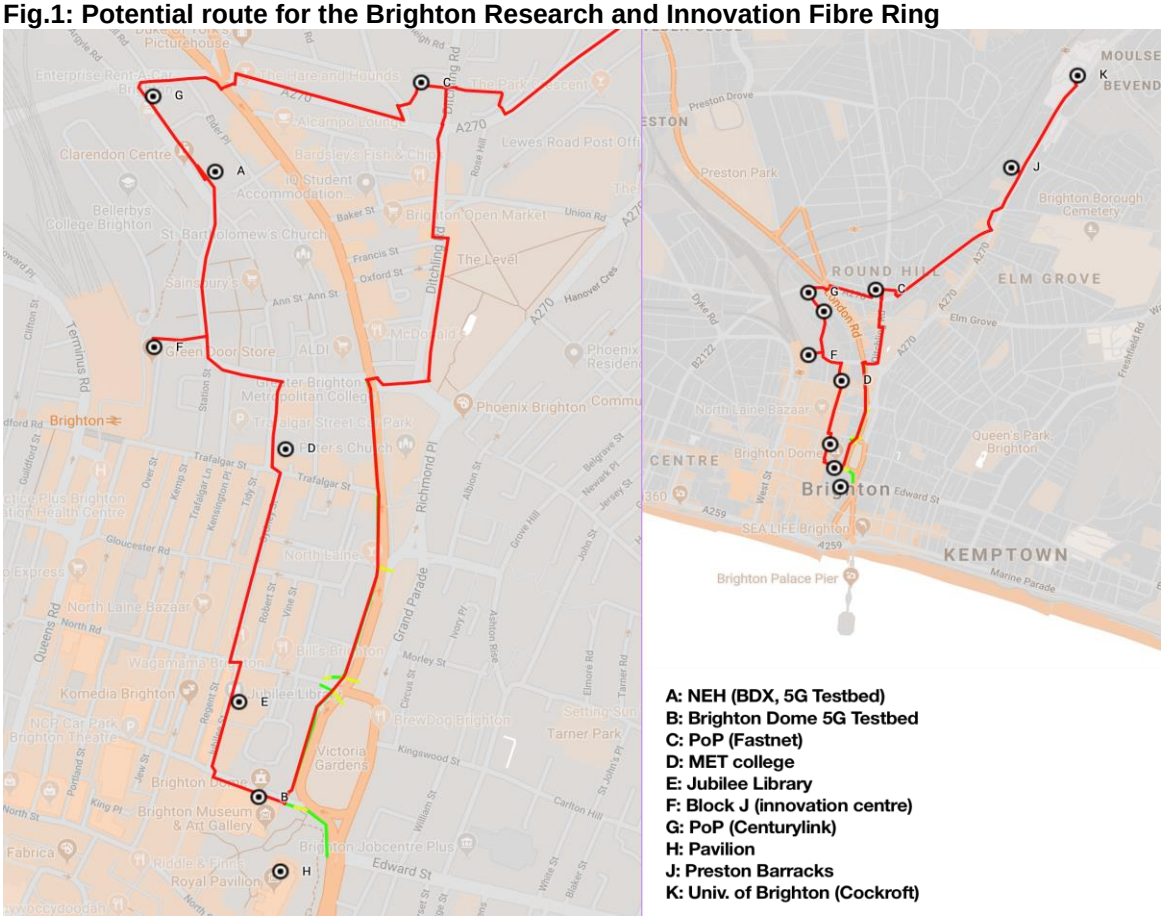
3.5 The city council is exploring options for the roll out of full fibre across the city. The challenge is to minimise the risk and cost to the city council, whilst at the same time ensuring new digital infrastructure that is as open access as possible

for local digital businesses. The Greater Brighton Digital Strategy identifies that Public Sector Anchor Tenancy (PSAT) is one of the primary ways that local authorities can drive the installation of new fibre. PSAT works on the basis that a local authority commits to connect its own sites up to a new fibre network, which incentivises the fibre provider to create the basic network that connects those sites. Once that spine is in, the business case to extend the network to other nearby premises – or indeed all premises in the city – becomes less challenging. So, by committing to a long term use (or tenancy) of the fibre, the local authority is removing some risk and making full fibre an investible proposition.

The Brighton Research and Innovation Fibre Ring

3.6 Ahead of developing any proposal to roll out full fibre to the city, the city council has been looking at how to provide further fibre in the city centre, focused on the tech cluster around New England House. Convened by Wired Sussex, a partnership consisting of the city council, the Digital Catapult and Brighton Digital Exchange has developed a proposal for a city centre Brighton Research and Innovation Fibre Ring (R&IR). The R&IR would be a publicly-owned, shared-access duct with fibre-optic spine running in a 5.5km loop (with spurs) around the route in fig.1. Note that this plan was prepared before the Valley Gardens project had progressed so far, and so the final route is subject to further design that will ensure it does not involve any further road works to Valley Gardens.

Fig.1: Potential route for the Brighton Research and Innovation Fibre Ring



3.7 The ring would be a piece of infrastructure under the stewardship of the city council that links a number of core strategic education, research and public sector assets including the Pavilion Estate, Preston Barracks, GB MET and others with the BDX and the tech sector in New England House. Using an open

access model, the R&IR will enhance business access to key university R&D resources, significantly augmenting the value generated from the existing 5G-testbed technology. The Brighton Research & Innovation Fibre Ring will allow connections with larger employers, digital and technology SMEs, and the wider public sector.

3.8 The fibre spine will be operated by a cooperatively owned host for the mutual benefit of engaged businesses and public sector bodies. This will create a valuable core network that ISPs and operators, including new, smaller disruptive providers, can invest in and build out from. It will make possible direct access to 'dark' fibre to such smaller and scaling businesses, providing them with new growth opportunities. The Brighton Research & Innovation Fibre Ring is structured to deliver multiple opportunities for local digital, tech and creative businesses to innovate and grow, and to partner with larger businesses and research institutions, and collaborate with public sector partners.

3.9 Brighton hosts the UK's first 5G testbed that is accessible by SMEs, and it is housed across the Brighton Digital Exchange, the FuseBox innovation hub and the Brighton Dome & Corn Exchange. A central element of this project is enhancements to the connectivity and expandability of this nationally-recognised 5G Brighton testbed, by linking the elements at New England House with the elements at the Dome & Corn Exchange. The project will secure funding to the testbed to provide two key, value-generating benefits: It will act as the first user of the fibre ring infrastructure and establish an example, and test, of the open access approach to the ring. It will also significantly enhance the testbed's technical breadth and capacity, providing access for businesses and others, supporting them to design and develop new applications that utilise 5G to deliver value, growth and productivity gains for all across our city region.

Local Growth Funding

3.10 The Coast to Capital Local Enterprise Partnership ['the LEP'] has an action in their 2018 Gatwick 360 Strategic Economic Plan to establish a "fibre ring around Brighton & Hove to extend the reach of the Digital Catapult 5G Brighton Testbed." In July 2019 the LEP opened a new call for projects to spend unspent Local Growth Funding (LGF). The city council worked with the project partners to submit a bid for R&IR proposal, which the LEP's Investment Committee agreed, after a competitive bidding process. The project partners are in the process of negotiating the funding agreement for the project, though signing is of course subject to approval of this report. The business case for the LGF funding is at appendix 1. This business case explains the project and the strategic, economic and financial case for it in more detail.

3.11 The R&IR project has different elements, with different project partners responsible for each. The fibre ring element, which will include laying ductwork and blowing fibre through the ductwork would be delivered by the city council. The city council would then initially own that duct and the fibre within in, letting the fibre to the co-operative that will either be the BDX or a similar co-operative made up of local tech businesses. As part of ensuring the city council ends up in a cost neutral position, the co-operative will commit to buy the asset after renting fibre in the duct for a period of 15 years.

3.12 The Digital Catapult are receiving funding to upgrade the equipment at their two 5G test bed sites, which would be linked by the fibre ring. This would enable SMEs to test applications on the very latest equipment and in real life settings, not just a lab.

3.13 LGF funding requires match funding from project partners. The table below sets out the total project costs and what the partners are contributing.

	Amount	**% of Total Cost**
BHCC Contribution	£333,045	20%
Match funding from Digital Catapult	£499,602	30%
LGF Funding from Coast to Capital LEP	£832,647	50%
Total Project Cost	**£1,665,293**	**100%**

The match funding from the city council is proposed to be made up of offering the BDX a further three years of rent free space in New England House (worth approx. £50,000) and paying a portion of the fibre build costs. The city council will receive an asset in the form of fibre infrastructure that will save its own connection costs in the vicinity and will also receive a rental income. The Financial Implications of the proposal are set out in more detail at section 7.

3.14 There are a number of risk factors involved in the project, such as the need to procure and deliver the fibre build in a very tight timescale. There is also a risk that the saving on connection costs for the council and the income from renting fibres in the ring do not provide enough additional revenue to pay the financing costs of the council's element of the capital investment in building the infrastructure. However, the 50% contribution from the LEP assists with this, and the total exposure is under £300,000, and the co-operative has offered to commit to purchase the asset through or at the end of a 15 year period at a price that covers any remaining financing costs. Further work will also need to be done to get actual, rather than assumed, build costs to install the ducting and fibre. If those costs push the business case into not being viable then the city council could step back from the project having not invested heavily.

3.15 The economic benefits of the proposal make a case for the investment. As well as the pure economic benefits set out in section 3.1 of the Business Case at Appendix 1, there is also a strong Community Wealth Building element to this project. The fibre infrastructure is municipally built and owned (at least initially). Fibre is rented to a co-operative of local small and medium sized businesses, who use the asset to create local wealth. After 15 years there is an option for those firms to purchase the asset from the city council. This keeps the benefits of the investment local, and inspires local firms to invest and grow in their own community.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The city council could decide not to take any steps to help drive the delivery of full fibre in the city, instead waiting for the private sector to make that investment naturally. There is a limited pool of private sector capital funding, and there are no guarantees that Brighton would be considered an investible proposition in the near future without the security of Public Sector Anchor Tenancy. In addition, the UK Government manifesto pledge pushing for 'full fibre for all' by 2025 is widely considered to be unachievable, so it would be risky to rely on this as being the vehicle to roll out full fibre to the city.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 The initial focus of the R&IR is around businesses in the heart of the city, rather than the residential market. There has therefore not been widespread consultation of residents. However, the LGF bid is a partnership project made up of city stakeholders. In addition, the BDX is a co-operative of local companies, so that collection of firms have been involved in the process of developing this bid. Furthermore, the LEP undertook considerable consultation on their Gatwick 360 Strategic Economic Plan, which proposes the idea of a fibre ring around Brighton's 5G testbed.

6. CONCLUSION

6.1 Investment in the Research and Innovation Fibre Ring in the centre of Brighton & Hove has several clear objectives with regard to enhancing the city's the economy. It will;

- Ensure that businesses in the area genuinely have access to the ultrafast broadband services they need to secure, retain and grow competitive advantage.
- Ensure that SMEs with a vital requirement for ultrafast broadband can afford to connect to services with the quality of service requirements they need.
- Enable the start-up and growth of digital businesses providing the ultrafast services they really need and lowering the barriers to acquiring them.
- Connect up innovative solutions like to the Brighton Digital Exchange (BDX) to ensure the infrastructure can remain relevant by better serving SMEs across the city region.
- Stimulate inward investment in the city centre by creating an environment in which there is genuinely ubiquitous ultrafast broadband.
- Build on Brighton & Hove's outstanding digital and entrepreneurial reputation, building genuine competitive advantage against other leading national and international digital cities.

6.1 And in particular, the innovative ownership and access model of the R&IR, encouraging investment from a co-operative of local digital firms in the same way as the BDX does, will ensure that this economic benefit is felt locally. This would therefore be a community wealth building project for the local digital sector.

7. FINANCIAL & OTHER IMPLICATIONS:

<u>Financial Implications:</u>

7.1 The total project cost is expected to total £1,665,300 (net of vat) of which £549,600 are operational costs. Therefore £1,115,700 of capital funding is

required, this total include £27,900 for contingency and £35,700 for project management which may be met from within existing budgets. Local Growth Funding grant from the Coast to Capital LEP of £832,646 has been identified, subject to approval of the Business Case and a Funding Agreement being finalised.

7.2 The operational costs match funding include the running of the 5G Testbed Accelerator Programme until March 2023, this is expected to be met from commercialisation arrangements through user rental fees for the Fibre Ring and the 5G Brighton Testbed operational and maintenance costs will be from existing Brighton Digital running costs. The council will contribute circa £50,000 toward the operational costs by offering a rent free period space to the BDX over a three year period in New England House

7.3 The council will be required to meet up to a maximum of £ £283,000 toward the capital investment cost and this is proposed to be met from borrowing over a 15 year period in line with the life value of the asset. There is potential for the co-operative to purchase the asset at the end of the 15-year period from the council. The financing costs for the borrowing are estimated at circa £24,500 pa and are to be met from potential savings associated with running costs for the existing Brighton Digital Exchange (BDX) at New England House plus commercial arrangements for other public sector partner users. In the event that insufficient revenue income and savings are generated to meet the financing costs a contribution will be required from existing revenue budgets within Environment, Economy and Culture . Further testing of costs are underway and should the total project cost exceed viability the council will not be committed to proceed.

Finance Officer Consulted: Rob Allen Date: 03/02/20

<u>Legal Implications:</u>

7.4 As part of its application for the LEP funding, the Council was required to consider the state aid implications of the project. Whilst the Council will be an “undertaking” for the purposes of state aid legislation as it will be offering access to the ring on a commercial basis, the measure has a purely local impact and therefore there is no effect on trade between Member States.

7.5 The Council will carry out competitive procurement exercises in accordance with its Contract Standing Orders and public procurement legislation to engage contractors to install the Ring and will therefore not grant any selective advantage to any contractor.

7.6 The Council will lease the ring to the co-operative on a commercial basis so it will not be granting state aid to the co-operative. The end users of the Ring are not receiving an advantage from the state because they will also be paying commercial rates to use the Ring. Furthermore, the Ring can be used by any users who wish to use it so no selective advantage is provided.

7.7 The Brighton Digital Exchange is receiving aid in the form of free rent. However it falls within the de minimis regulation because the value of it is less than €200,000 over a rolling three year period. It requires a decision of Policy &

Resources Committee because the officer delegation only applies when disposals are for best consideration.

7.8 The Council will enter into a funding agreement with the LEP and a lease with the co-operative who leases the ring. Legal services will advise on the legal agreements required to progress this project.

Lawyer Consulted: *Alice Rowland* *Date: 24/01/20*

Equalities Implications:

7.9 Digital inclusion is an equalities consideration that is growing in importance. The Greater Brighton Digital Strategy sets a key design principle that all parts of our communities should be included and access the benefits of the digital future. Whilst the R&IR is initially focused on businesses rather than residents, it is a step towards the roll out of more ubiquitous full fibre. Once that full fibre is rolled out it should bring down the costs of higher speed connections to all citizens, and so help to reduce digital exclusion. Furthermore, being a community wealth building project, it ensures that smaller local digital SMEs and start ups are more able to benefit from the value created by the ring.

Sustainability Implications:

7.10 Improved fibre connectivity enables a number of applications that should help to reduce travel related carbon by enabling better use of teleconferencing, telehealth etc. Furthermore, fibre in city centres drives the uptake of Smart Cities solutions. This involves the collection, transmission and sharing of large amounts of data that can be used to improve the efficiency of how cities operate.

Brexit Implications:

7.11 None identified. The state aid implications have been addressed elsewhere, and state aid law is derived from the European Union. However, there will be no change to the law during the transition phase.

SUPPORTING DOCUMENTATION

Appendices:

1. Business Case for the LGF Funding bid for the Research & Innovation Fibre Ring

Coast to Capital

COAST TO CAPITAL LOCAL GROWTH FUND FULL BUSINESS CASE	
Project Title:	**Research & Innovation Fibre Ring**
Lead delivery organisation:	Brighton & Hove City Council
Organisation Address:	Hove Town Hall, Norton Road, Hove, BN3 3BQ
Lead contact name:	Max Woodford Max.Woodford@brighton-hove.gov.uk
Issue Date:	

This document provides a template for a Full Business Case (FBC) for Coast to Capital to invest in a project through the Local Growth Fund (LGF). Please ensure you read the full guidance document to assist you in completing this form.

Projects funded from the Growth Deal are expected to contribute towards the Coast to Capital Gatwick 360 Strategic Economic Plan (SEP); to deliver economic outputs as detailed within the 8 priorities listed in the SEP, or to support the medium term delivery of our Strategy.

Projects can only request funding as stated within the EOI application; from **£500,000 and up to £2,000,000,** and must demonstrate a minimum of a 50% matched funding contribution.

The information provided in this form will help our Investment Committee, determine the eligibility of your project, and formally decide which projects called for the FBC stage have been successful following a presentation from applicants, that will allow opportunity for Committee members to ask questions. As part of this scrutiny Croydon Council as the acting Accountable Body for Coast to Capital will be ensuring all projects are State Aid compliant and therefore sufficient evidence is required.

The Investment Committee have delegated authority from Coast to Capital Board to make funding awards up to £2million, and make decisions on full or partial funding awards, or any funding conditions. Decisions made would be noted to the October Board meeting, following which funding awards will be announced.

FBC must submitted any time before: **12noon on Friday 16th August 2019. Any FBC not received after this deadline will NOT be accepted and will be returned to the applicant.** FBC submissions will be acknowledged by email within 24 hours.

Applicants must be able to evidence as part of the FBC that they are able to incur full LGF project costs (to include elements of matched funding), by **31st December 2020**.

Coast to Capital also reserves the right to withdraw / reclaim and re-allocate, all funding, if at any point in the delivery of successful projects, our Board believes that the full draw down will not be made.

If you have any queries or require further information please contact Coast to Capital on **localgrowthfund@coast2capital.org.uk**

Coast to Capital Disclaimer

By submitting this FBC, Project Applicants are agreeing to the following;

- Grant payment (in arrears) will not be made until a funding agreement is signed by both parties.
- All funds provided by Coast to Capital must be used for capital expenditure under the definition of capital provided within HM Treasury, CIPFA and International accounting standards.

- All costs and charges incurred as a result of making this application cannot be claimed as part of the project.
- All FBC submissions will be treated in the strictest confidence, and will only be shared with those involved with the evaluation and the processing of your application (Coast to Capital Officers, London Borough or Croydon Accountable Body, Coast to Capital Investment Committee Members, and Board members).
- Successful FBC submissions who are awarded funding are required to agree as a condition of applying for this funding that their business case will be published in the public domain in full.
- Coast to Capital will keep a record of your contact details, and application on file. We may use your contact details to send you further information, notify you of further funding opportunities, and/or invite you to events organised by Coast to Capital or its partners. Your personal and business information will remain confidential.
- Applicants submitting an FBC will in doing so warrant to have agreed to be bound by the following conditions:

1. Applicants will indemnify Coast to Capital against any claim for loss, costs or damages as a result of being unsuccessful at FBC stage.
2. Applicants who are successful in obtaining a grant funding award following scrutiny of the FBC, agree to pay a fee to Coast to Capital to cover the cost of processing and preparing the funding agreement. This fee will be payable in advance and is set at a flat rate of **£9,500.00**, to cover legal and administration costs. This fee cannot be recovered through applications.
3. Applicants who are unsuccessful following their submission and scrutiny of the full business case, accept that they will be informed in writing on the reasons for this decision in accordance with the attached Guidance, with further feedback only being provided to the extent and discretion decided by Coast to Capital officers.
4. Applicants agree to not issue any written or verbal statements to any third party which could reasonably be seen to be designed to defame, discredit, or to undermine the decision reached by Coast to Capital in not awarding grant funding following their submission and scrutiny of the FBC.
5. That the decision of the Coast to Capital Investment Committee and/or Board is final in deciding what FBC submissions are awarded funding, and there is no right of appeal.
6. That no applications for information under the Freedom of Information Act (FOI) will be accepted from the applicant or any other party, as to the reasons for an application not being invited to full business case stage, or for feedback on the reasons why funding has not been awarded following the submission of an FBC, as Coast to Capital is not bound by this Act.
7. The applicant warrants that they have not colluded with any other applicant to attempt to benefit their own application through falsification of information or reliance on other applications being successful.
8. That applications made are on an unconditional basis.
   The applicant warrants that their application is state aid compliant. Applications at FBC submission must provide evidence and/or will be asked if they have taken independent legal advice that their application is state aid compliant. Applicants must accept that if subsequently at any point their project is established to not be state aid compliant, Coast to Capital, solely at the discretion of its Board, will withdraw and reclaim any funding awarded.

I Max Woodford on behalf of Brighton & Hove City Council confirm that we agree to be bound by the above application contractual terms.	**Signed:** M. Woodford	**Dated:** **15/08/2019**

1. Executive Summary

1.1) Overview of the project including what opportunity or barrier the investment will unlock:

[Please provide a clear & concise overview of the project ensuring that you set out what the LGF will be used to fund and what opportunity or barrier the investment will unlock.]

This project will deliver on Coast to Capital's goal, as stated in its Strategic Economic Plan (*Gatwick 360*) to establish a "fibre ring around Brighton & Hove to extend the reach of the Digital Catapult 5G Brighton Testbed."

The Brighton Research & Innovation Fibre Ring will be a publicly-owned, 5G-ready, shared-access duct infrastructure under the stewardship of BHCC that links a number of core strategic education, research and public sector assets including the Pavilion Estate, Preston Barracks, the MET and others.

Using an open access model, the project will enhance business access to key university R&D resources, significantly augmenting the value generated from the existing 5G-testbed technology. The Brighton Research & Innovation Fibre Ring will allow connections with larger employers, digital and technology SMEs, and the wider public sector. The ring will create a scaffold through which to leverage other opportunities for investment in 5G and fibre deployment, reducing fixed cost barriers to investment, and making effective use of government fibre funding (through, for example, the LFFN Voucher scheme).

A central element of this project are enhancements to the connectivity and expandability of the nationally-recognised 5G Brighton testbed. The UK's first SME-accessible 5G testbed is an existing distributed facility, housed across the Brighton Digital Exchange, the FuseBox innovation hub and the Brighton Dome & Corn Exchange. The funding to the testbed provides two key, value-generating benefits. It will act as the first user of the fibre ring infrastructure and establish an example, and test, of the open access approach to the ring. It will also significantly enhance the testbed's technical breadth and capacity, providing access for businesses and others, supporting them to design and develop new applications that utilise 5G to deliver value, growth and productivity gains for all across our region. The testbed enhancements will include deploying new stable 5G infrastructure compliant with 3GPP Rel.15 and 16, providing new 5G Services, neutral hosting, 5GNR intra band aggregation, Dual Connectivity (EN-DC), Enhancement on MIMO for NR, LAN support in 5G (5GLAN), NR mobility enhancements and 5G energy efficiency.

The potential of the innovation resources aggregated in New England House will be extended with a 5.5km fibre spine, publicly owned and open for shared access by multiple private and public-sector users. A cooperative neutral host will manage access to the fibre, maximising opportunities for digital and technology businesses to innovate, differentiate and scale, adding value with new connectivity products and services. The same benefits available to digital-tech businesses will also provide opportunities for public sector bodies to improve their methods of service delivery.

The Brighton Research & Innovation Fibre Ring will remove barriers that stand in the way of innovation and investment and so unlock opportunities for public and private sector stakeholders.

In particular:

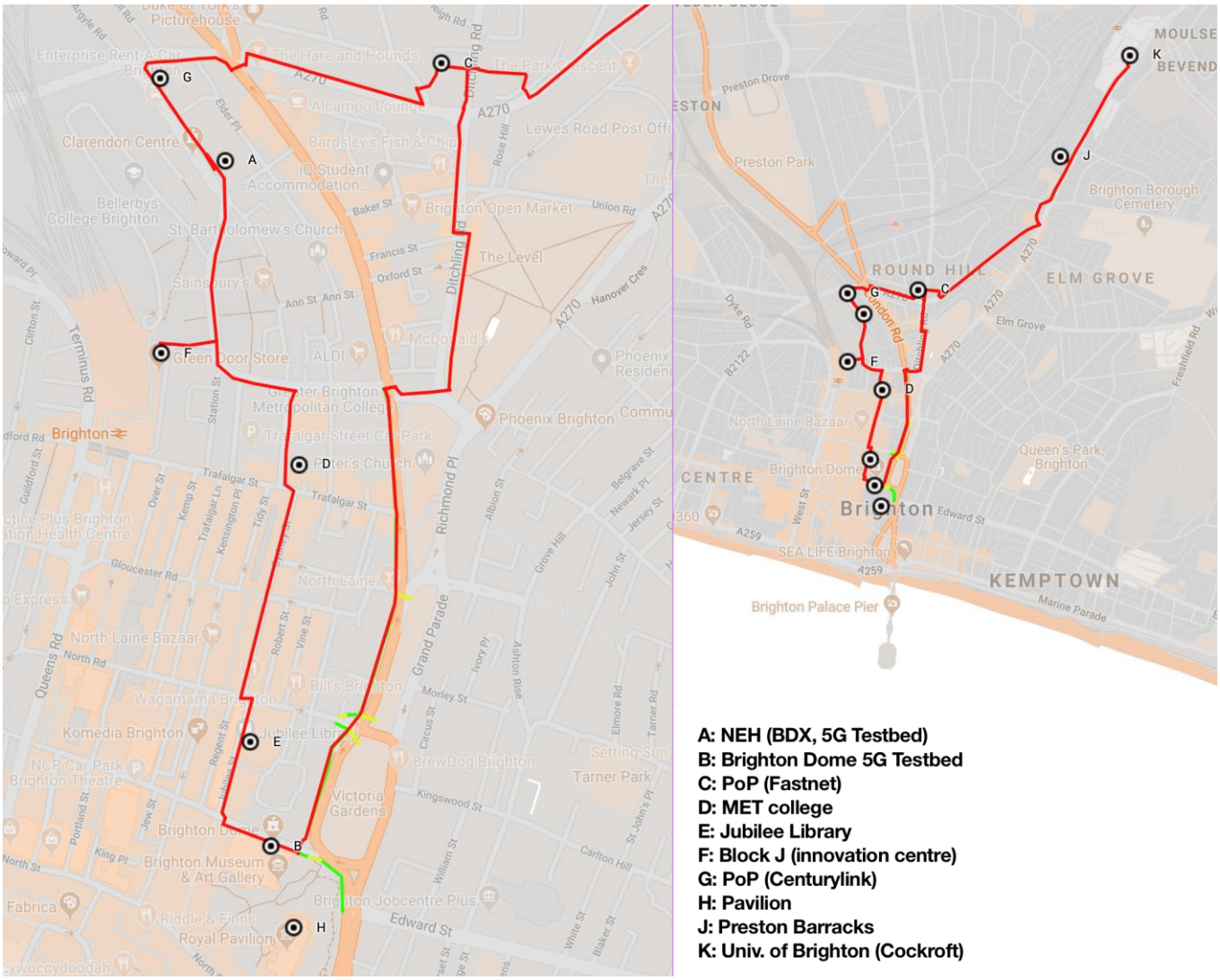
The 5G Testbed will be enhanced and integrated and, through the ring, connected with core research and educational institutions. It will also enable the provision of remote access to the testbed by SMEs, removing significant barriers to researching and developing 5G products and applications that would often exclude businesses of this size.

The fibre spine will be operated by the cooperative neutral host for the mutual benefit of engaged businesses and public sector bodies. This will create a valuable core network that ISPs and operators, including new, smaller disruptive providers, can invest in and build out from. It will make possible direct access to 'dark' fibre to such smaller and scaling businesses, providing them with new growth opportunities.

The Brighton Research & Innovation Fibre Ring is structured to deliver multiple opportunities for local digital, tech and creative businesses to innovate and grow, and to partner with larger businesses and research institutions, and collaborate with public sector partners.

It is designed to be successfully delivered within the time constraints of the funding, but to kick-start new opportunities for knowledge-based employment, value generation and productivity growth for many years to come.

This strategic investment sets a clear direction for the region. It delivers innovation-enabling infrastructure through a world-class 5G facility that businesses and organisations across the region will be able to access and benefit from, and provides a means to kick-start and accelerate full-fibre in Brighton, while acting as a key asset in the deployment of infrastructure throughout the region.



Planned Route for the 5G Ring (and spur), 5G Testbed and key stakeholder locations

1.2) Please choose a priority area that is most appropriate to your project. For further information around each priority area please review our Gatwick 360 Strategic Economic Plan.	Priority 1: Deliver Prosperous Urban Centres ☐ Priority 2: Develop Business Infrastructure and Support ☐ Priority 3: Invest in Sustainable Growth ☐ Priority 4: Create Skills for the Future ☐ Priority 5: Pioneer Innovation in ☐

	Core Strengths	
	Priority 6: Promote better transport and Mobility	☐
	Priority 7: Improve digital network capability	**X**
	Priority 8: Build a strong National and International profile	☐

1.3) The fit with Coast to Capital Strategic Economic Plan: Gatwick 360, and the chosen priority above. Please identify if this project fits in with other priorities as above.

The ring will directly assist delivery of the 2018-2020 ambitions in **Priority 7: Improve digital network capability** in several ways.

The project delivers directly against the SEP action to establish a "fibre ring around Brighton & Hove to extend the reach of the Digital Catapult 5G Brighton Testbed."

The Brighton Research & Innovation Fibre Ring (BR&IR) extends the reach of the 5G Brighton testbed to connect Brighton Dome with New England House using open-access dark fibre. This will provide ultra-high capacity, resilient connectivity between the main centres of the extended testbed.

The inclusion of both locations in Brighton as the first tenant of the neutral hosting infrastructure to be commissioned by the project fibre ring activities addresses specifically this SEP action.

By combining an enhanced open-access 5G testbed with a highly-specified open-access fibre spine, the Brighton Research & Innovation Fibre Ring will provide a rich source of experience and expertise on how to engage agile and innovative digital-tech SMEs in building, operating and applying the digital infrastructure that will drive productivity and accelerate growth in the region.

As well as Priority 7, there is a particular alignment with **Priority 5: Pioneer innovation in core strengths**. The Brighton 5G Ring provides a valuable link between the two priorities by providing the infrastructure to support all parts of the innovation process, from idea to product delivery, in a form that can be utilised by the digital-tech and creative sector in the region.

The Brighton Research & Innovation Fibre Ring enhances, leverages and complements existing projects and aspirations in the region, in particular:

- The Gigabit West Sussex Local Full Fibre Networks (LFFN) Wave 1.
- The Burgess Hill Fibre Exchange LFFN Wave 2 project will be connected directly to the Brighton Digital Exchange and hence to the Brighton Research & Innovation Fibre Ring.
- The West Sussex-led project to extend open access fibre connectivity, building on the LFFN projects.
- The LINK public sector network, which will use the fibre to reduce costs.
- The Brighton Digital Exchange, created as part of the HMG's Superconnected Cities programme and the Brighton & Hove City Deal, which operates using the cooperative neutral host model.
- The complementary LGF bid from West Sussex CC: "Converged Fibre Connectivity Programme"
- The potential for open access fibre deployment as part of the Brighton mainline upgrade and 'digital railway'.

The Brighton Research & Innovation Fibre Ring not only aligns with these other fibre infrastructure projects in the region, it enhances them, delivering the opportunity to access innovation support through the testbed and a carrier-neutral Internet hub whose s neutrality permits investment by multiple operators and providers using different investment and business models (PSAT, PSAR, PSN).

The Brighton Research & Innovation Fibre Ring is designed for growth. The use of a cooperative neutral host asset sharing model will support further private and public investment, both to provide access to the ring and to extend it. As a growing infrastructure it will play a key role in the achievement of the 2020-2030 ambitions:

- By forming the core of a highly-specified infrastructure to support Brighton's development as a highly-connected and leading smart city.
- By enhancing the role of the Brighton Digital Exchange as the regional Internet hub, serving urban centres throughout the C2C region.
- By offering local businesses an opportunity to innovate, differentiate and add value with access to fibre infrastructure and 5G testbed facilities.

The Brighton Research & Innovation Fibre Ring further will help advance the other seven priorities in the SEP, and this is summarised in the table below.

Priority 1: Deliver prosperous urban centres	**Prosperous urban centres need fibre.** Brighton lacks an open access full fibre infrastructure that is essential to sustain the prosperity of its urban centre. The Brighton Research & Innovation Fibre Ring will support rapid deployment of 5G and smart city capability, enhancing the ways that citizens, visitors and businesses can access information and experiences. The Brighton Research & Innovation Fibre Ring encircles the Brighton digital-tech-creative cluster and connects to BDX where they can gain access, trade and exchange data. This will support employment and supply chain opportunities in the urban centre.
Priority 2: Develop business infrastructure and support	**Shared infrastructure opens opportunities for business.** This project connects a number of key business locations (including NEH, Preston Barracks and Block J). Partners will provide a programme of support in developing new business applications utilising the fibre and 5G.
Priority 3: Invest in sustainable growth	**New digital infrastructure is part of a sustainable growth model** A fully shared and open access digital infrastructure is a valuable tool for supporting sustainable growth. By underpinning the development of Brighton as a smart city it can increase the capacity of the city to sustain a growing, economically active population. By supporting R&D translation links between universities and innovative business, for example around sensor technologies, the Brighton Research & Innovation Fibre Ring can help the development of local models for sustainable growth in digital economy .
Priority 4: Create skills for the future	**Build it ourselves means wide and varying skills needed** The 5G Brighton Testbed Acceleration Programme will directly assist businesses in gaining the new skills needed to play a role in the 5G economy. Building, maintaining and operating the infrastructure provides local supply chain opportunities with consequent employment in a range of skills: such as fibre deployment and splicing, electronics and telecommunications. The partnership between education institutions and business will help open up wider and ongoing skills development - the Greater Brighton MET college is a key partner.

Priority 5: Pioneer innovation in core strengths	**Digital is a core strength, 5G is becoming one** The 5G Testbed has already made Brighton a centre of 5G product innovation and the Testbed Acceleration Programme will build on this success, complementing other strengths in areas like VR and sensors. By opening up access to the infrastructure - the fibre itself - for SMEs and startups, the ring will maximise opportunities for the innovation that happens a) when you can cross between network layers; b) with high capacity data peering; c) with access to 5G technologies.
Priority 6: Promote better transport and mobility	**Open access fibre supports transport innovation** Innovators using digital technology to tackle problems like congestion, or to make use of transport open data, benefit greatly by having access to infrastructure - using tools such as layer 2 data exchange to avoid Internet bottlenecks and costs. Additionally the electricity network upgrade that will be needed to support EV charging across the city will provide 'dig once' opportunities to extend the fibre network at low cost.
Priority 7: Improve digital network capability	**Core priority for this project: See above for full details**
Priority 8: Build a strong national and international profile	**Brighton's 5G Testbed supports the region's reputation** The 5G Brighton Testbed is the UK's first non-academic 5G testbed and the first to be focused on SME engagement. This project will enhance it and the region's reputation for delivering technical innovation in a way that benefits a wide base.

1.4) Expected Total Project Cost and source of funding. Please also complete the funding breakdown tab on the supporting spreadsheet. A Matched funding contribution of at least 50% is required (percentage of the total project costs). (Please name the source of match funding). **(Please name the source of match funding).**

[Please complete the summary table provided and also complete the funding breakdown tab of the supporting excel spreadsheet. Please ensure you name the source of funding.]

	Amount	**% of Total Cost**
Total Project Cost	£1,665,293	100%
Applicant own funds	£333,045	20%
Other public funds		
Private sector funds	£499,602	30%
Funding requested from Coast to Capital LEP*	£832,647	50%

Other – add or delete where necessary		

*Funding requested from Coast to Capital must be more than £500,000 but cannot exceed £2,000,000.

1.5) Expected tangible core outputs/outcomes:
Please also complete the outputs tab of the supporting spreadsheet – add or delete where appropriate.
*Applicants should add in outputs that link directly with the SEP priority they are applying for.

[Please summarise the outputs to be delivered by completing the table. If the project will not deliver any of the specified outputs please enter 0 against that output. Please also complete the outputs tab of the supporting spreadsheet.]

Output/outcome	Metric	Number to be delivered
Employment- created and/or safeguarded	No.	19
Employment unlocked	No.	436
Businesses assisted- financial and non- financial	No.	45
Skills- new apprentices	No.	0
Skills – Training for high value skills	No.	0
New housing unit completions	Units	0
New housing unlocked	Units	0
New floor space constructed/Refurbished-	Sqm	0
Commercial floor space unlocked	Sqm	0
Carbon reduction	Tonnes of CO2	0
Productivity increase (total GVA uplift over 5 years)	£m	94
New products and services	No.	8
New fibre	km	5.51
Access chambers	No.	55
Premises passed 50m	No.	3,140
Premises addressable 50m-200m	No.	9,435

Priority 7: Improve digital network

The project will result in:

- A 5.5km fibre ring available for public, research and commercial application, and designed to support further commercial investment.
- A functional 5G testbed in two locations in Brighton: Fusebox and the Brighton Dome upgraded to the latest standards.

Fibre ring

BHCC will deliver a 5.5km fibre spine ring in central Brighton. The ducting will be publicly owned. It will have capacity for up to 8 144-core cables. This will pass within reach of more than 12,000 premises.

Based on a cost-benefit analysis (see 3.5) commercialisation of this asset will result in a discounted GVA uplift of over £115m (NPV at 3.5% over 10 years), without the grant of any aid or subsidy.

By engaging local businesses in the operation and maintenance of the ring through the cooperative neutral host model, at least 3 new products will be created by at least 3 businesses.

Testbed

Digital Catapult will deliver an enhanced 5G test-bed with technical capabilities such as WiFi, LTE (4G), 5G, LTE-M, NB-IoT, eMBMS and MEC and also 5G network capabilities such as SDN and NFV.

Digital Catapult will deliver a three-year 5G Testbed Acceleration Programme (5GTAP) which will manage on average two or three open calls with active promotion each year with each call looking to recruit at least 5 SMEs. This will result in at least 45 SMEs directly benefiting from the enhanced 5G Testbed. We estimate at least 10 of those will be new companies established in the last three years.

Through an "open door" policy and existing links with the research institutions in the region, we foresee at least 15 collaborations resulting between SMEs and the regional research base enabled by the usage of our testbed.

From the SMEs assisted we expect to generate at least 10 skilled, high-value, knowledge-intensive jobs and safeguard 7 others by making sure these SMEs have a competitive edge in the new connectivity marketplaces that are opening and can be exploited early on by local businesses.

Other outcomes include at least 5 new to the firm products and 5 new to market products that will be the result of our 5GTAP activity. This progression of results is in line with previous programmes run by the DIgital Catapult.

1.6) Main risks and issues the project will need to manage? Explain contingency plans to ensure full draw down of funding if ultimately awarded. **Please also submit a full risk register as an annex to this document**

[Please summarise the key risks to the project that will need careful management. We also expect a full risk register to be submitted as an annex.]

The Brighton Research & Innovation Fibre Ring has three principal classes of risk:

- Construction delays
- 5G standards uncertainty
- Low engagement

Our general approach to these risk classes is described below. Please refer to our comprehensive risk register for further details on the risks falling in these classes and our management of them.

Construction delays

There are a number of potential causes of construction delays, including delays on permissions and wayleaves, difficulty in matching timing to take advantage of other construction projects (Valley Gardens, GB MET), slow mobilisation by suppliers, insufficient supplier resource.

Construction delays could potentially lead to cost overruns and/or difficulty in completing the project within the funding window. They may also impact the launch of the updated 5G Testbed to take advantage of the application of Rel 16.

The risk register describes how we intend to mitigate these risks, none of which scores above "green".

Methods include:

- Rapid procurement of construction partner through frameworks, with potential to appoint additional suppliers to accelerate work.
- Readiness to adopt alternative routes.
- Adequate contingency budget and if necessary additional funding (or if severe, reduced scope) to deal with cost overruns.

5G Standards uncertainty

There is not yet full certainty on the supply of equipment and compatible software to complete the upgrade to 3GPP Rel 16 and, in particular, integration of the 5GNR equipment with 5G core software.

This risk does not score above "green". Digital Catapult has extensive experience dealing with this class of risk for 3GPP Rel 15 and has a strong relationship with equipment and software suppliers. This relationship gives us the confidence that access to suitable equipment/software and the appropriate support will be secured.

Low engagement

The project is largely dedicated to creating opportunities for engagement and collaboration by SMEs and research bodies. Such engagement and collaboration is voluntary and there is a risk that it will be less than anticipated, whether in using fibre or the Testbed or both.

These risks do not score above "green".

Wired Sussex, BDX and Digital Catapult, have extensive experience and incentive to drive engagement, and can adapt activities such as open calls to respond to any slow take up.

2. Strategic Case

2.1) Describe the compelling case for change.

[In this section you should explain why public funding is required. What problem or opportunity is the project intended to address in terms of market failure or demand or the contribution the project will make to the delivery of the Coast to Capital Strategic Economic Plan and any other relevant plans and strategies.]

Why public funding is required

The Brighton Research & Innovation Fibre Ring applies public investment to enhance and leverage the benefits of assets that are present in the C2C LEP region and in Brighton & Hove, and so realise significant secondary and multiplier economic effects. These assets include specifically:

- The thriving and growing digital-tech-creative cluster in and around Brighton;
- The collaboration and innovation opportunities for SMEs in that cluster to access advanced infrastructure through the 5G Brighton Testbed and the Brighton Digital Exchange.

The proposed public investment performs two important functions:

- Enhancing the existing Testbed to support testing and development using the coming evolution of 5G standards, and across a wider 'distributed' testbed in Brighton.
- Creating a financially-sustainable and scalable fibre infrastructure that will support shared use by public, research and private sector bodies.

The public funding unlocks two path dependencies to enable maximum engagement by SMEs working together with public and research bodies:

- By creating a shared spine, public sector along with smaller and innovating telecoms operators and service providers can access dark fibre infrastructure that otherwise would not be available.

- By creating a shared, distributed Testbed, compliant with the latest 5G standards, smaller and innovating digital-tech businesses, along with public research bodies can access technology that they otherwise could not at this stage.

In both cases the public investment creates the conditions for investment by smaller digital-tech and creative businesses working together and with public sector partners.

This is possible because of the focus on ensuring shared access for collaboration using:

- A proven and UK-leading Testbed engagement model;
- A proven 'neutral host' model to support shared use and investment.

The 5G context

It is now widely recognised that 5G technologies will be extremely significant for the future delivery of public sector service provision, high value business growth and for helping meet social and citizen needs. Through its ability to provide extremely fast, highly stable and very adaptable connectivity with exceptionally low latency, 5G can enable new, more effective and efficient products, services and experiences, improving productivity and enhancing capacity in the process. This is clearly recognised by HMG in their Industrial Strategy Future Telecoms Infrastructure Review, which called for significant increases in investment in full fibre and 5G to ensure that "the UK remain globally competitive in a digital world". Subsequent recent statements from the Prime Minister's office have further emphasised its importance.

As a LEP, C2C has been at the forefront of acknowledging the significance of 5G and developed and funded a testbed model which DCMS have subsequently adapted and used across the UK. This project builds on that earlier activity by connecting an enhanced 5G testbed to major strategic sites in Brighton, enabling a range of businesses and other organisations to connect into a new fibre ring and linking that up with other fibre and connectivity projects across the region.

Whilst a number of national network providers (like Vodafone and EE) have publicly announced 5G rollouts, for some time to come the underlying impact will be limited and very different to what is being proposed in this project. First, because network providers will tend to focus initially and primarily on hotspots in urban areas that are typically larger than those that exist in the C2C LEP region. Second, because access for small businesses to 5G is often limited and inappropriate (ie not configured for early use testing and Proof of Concept). And third because the opportunity to innovate utilising the connectivity is limited (for instance Nb-IoT is available in limited form and with a cost from Vodafone only in their Newbury-based lab). Essentially, this is because the connectivity is, for the network providers, primarily a commodity. For us, and as designed for this project, it is strategic: it is a way of improving commercial and public sector value generation, and enhancing business growth and employee productivity.

There is a gap between the finalisation of cellular network standards and their commercial availability. This project closes that gap between confirmed standards and broad market take-up of the technology by making it available to start-ups, scale-ups and SMEs much earlier than it otherwise would. It then provides ways that these businesses' engagement with 5G can generate innovation and value, either via the testbed or via the neutral host or through a combination of both.

A sustainable and scalable infrastructure

Brighton & Hove has important assets that are crucial for driving economic growth and opportunities for its citizens and the wider economy. These include a recognised digital-tech-creative sector, centres of research and teaching excellence in further and higher education, and a city-centre economy that provides opportunities to test and deploy new digital technologies, particularly using 5G. The 5G Brighton Testbed and the Brighton Digital Exchange are both significant, and almost unique in the UK, for the opportunities they provide SMEs to access advanced infrastructure.

The Brighton Research & Innovation Fibre Ring is designed to take advantage of these assets to create beneficial change:

• To accelerate the growth of the digital-tech-creative cluster in Brighton by providing new opportunities to work with the public sector and education, to create new digital and 5G products and services, and to capture more of the value chain;

• To leverage the existing assets such as the 5G Brighton Testbed and Brighton Digital Exchange, increasing the opportunities for collaboration and attracting new investment in applications and services;

• To lower the barriers to new investment in infrastructure, both public and private, using the ring to deploy new radio (5G) and fixed line connectivity, taking advantage of opportunities to deploy at low cost using 'dig once', and providing a scaffolding to leverage funding such as Gigabit vouchers.

2.2) Investment Objectives- detail the specific objectives to achieve the anticipated outcomes.

[Detail the specific objectives to achieve the anticipated outcomes. The objectives should be stated in clear and measurable terms with a specified time frame.]

The project objectives to achieve the desired outcomes are:

BHCC to:

- Deploy 5.5km primary ducting in a ring and spur topology within the funding envelope.
- Populate the ducting with at least 96 fibre cores for public and research use.
- Connect strategic sites directly to the fibre, including:
  - BDX/5G Testbed in New England House
  - Brighton Dome and Corn Exchange complex and Testbed
  - GB MET college campus
  - University of Brighton Cockroft Building
  - Block J innovation centre
  - Fastnet PoP
  - Centurylink/Xoomtalk PoP
  - Jubilee Library, including the new Business and Intellectual Property Centre
- Provide for connections in other strategic sites, including:
  - Preston Barracks development
  - 10 BHCC sites currently connected to LINK
  - Brighton Pavilion
- Deploy at least 96 fibre cores for shared use, mediated by BDX
- Terminate in key PoP sites BDX, Fastnet, Centurylink/Xoomtalk
- Fully test and verify fibre

BDX to:

- Launch product set.
- Appoint maintenance contractor in consultation with BHCC.
- Invite membership including from CNI (national cooperative neutral host - Virgin Media, ITS etc)

Digital Catapult to:

- Upgrade the 5G Brighton testbed with commercial-grade 5G New Radio equipment and corresponding core network (5GCore) software, to make it work in compliance with the 5G standards.
- Upgrade to latest 3GPP standards. The testbed will support WiFi, LTE (4G), 5G-NR, LTE-M, NB-IoT and eMBMS in access side and fully functional in SDN and NFV in networking side to support MEC with fully functional 5G core.

- This will offer SMEs and enterprises engaging with the 5G Brighton testbed the ability to develop, test and demonstrate new products and services right at the forefront of the 5G network capabilities in the country, and in the world.

2.3) Stakeholder Engagement carried out.

[Please explain what stakeholder engagement has been undertaken and what engagement remains to be undertaken. What support has been received? Have businesses been engaged and will continue to be engaged throughout the life of the project.

Endorsements should be evidenced if possible.]

C2C LEP undertook considerable partner engagement during the preparation of Gatwick 360, and it is that engagement that created the proposal for a Research & Innovation Fibre Ring.

Since then, discussions have been held with all the principal stakeholders listed below and with a section of local businesses that have consequently expressed strong support for this project including: Plug-in Media, Site Visibility, Cogapp, Tech 75, Fastnet and CurveIT. The input and engagement of the stakeholders and interested businesses has been critical in the initiation and evolution of this project.

Letters of support from these stakeholders and from local businesses can be provided should that be required.

The table below summarises engagements.

Stakeholder	Engagement
Brighton & Hove City Council	Lead body.
Digital Catapult	Partner. Participated fully in creating this bid.
Brighton Digital Exchange	Partner. Closely involved in creating this bid.
University of Brighton	Fully informed of the bid. Full support.
University of Sussex	Fully informed. Full support.
Greater Brighton Metropolitan College	Fully informed of the bid. Full support.
The LINK	Fully informed of the bid. Full support.
Wired Sussex	Closely involved in the development of this bid.
The Dome, Brighton	Fully informed of the bid. Full support.
Mid Sussex District Council	Fully informed of the bid. Full support.

2.4) List the key stakeholders and their interest areas.

[Please list the key stakeholders and their interest areas in the table provided.

Stakeholder	Interest area
Brighton & Hove City Council	Owns and is responsible for key sites passed by the ring with opportunities for cost savings and service improvements. Key partner for project delivery including wayleaves and related permissions. Providing match funding through the Valley Gardens development.
Wired Sussex	Closely involved in the development of this bid. Experience of advising businesses on Connection Vouchers. Able to engage businesses from the digital-tech-creative cluster to use and benefit from the assets.
University of Brighton	Keen to take advantage of the opportunities for collaboration. Can benefit from cost savings using the fibre connection to BDX.
University of Sussex	The planned innovation centre as part of the Block J development is passed by the 5G ring. Opportunity to connect with potential interest in a science park development in Burgess Hill.
Greater Brighton Metropolitan College	Key site passed by the 5G ring. Providing match funding through its new campus development. Keen to take advantage of the opportunities for collaboration around future skills provision.
The LINK	Public Sector network that already serves a number of public sector sites passed by the ring. The LINK is interested in using the ring to provide end users with more cost-effective connections (faster, cheaper or both) by switching these to the ring.
Digital Catapult	Operates the 5G Brighton Testbed. Is currently undertaking deployment of testbed extension at Brighton Dome. Digital Catapult will take responsibility for the testbed upgrade to meet evolving 5G standards.
Brighton Digital Exchange	BDX is a cooperatively-owned fibre network and carrier-neutral co-location facility, managed and supported by local internet service providers and tech businesses, including Fastnet, XoomTalk and CurveIT. BDX will perform the function of cooperative neutral host to enable private sector businesses to share access to the fibre ring. Members of the BDX cooperative are keen to take advantage of the opportunity this project provides to invest in new fibre and radio deployments outside New England House.
Brighton Dome and Corn Exchange	International performance and cultural venue hosting 5G testbed. and key site passed by the ring. Keen to take advantage of the opportunities to trial 5G applications.
Mid Sussex District Council	Mid Sussex (MSDC) is constructing a complementary fibre network with a connection to BDX that will complement the 5G Ring. MSDC is keen to take advantage of the opportunities for collaboration with Brighton educational institutions and businesses.

2.5) What are the strategic issues, risks and constraints that may impact successful delivery of the project?

[Please provide details of the strategic issues, risks and constraints that may impact successful delivery of the project. E.g. Overarching issues that relate to the approvals, resource implications, finances or other general strategic issues that can impact on the delivery of the project.]

Strategic issues, risks and constraints that could impact successful delivery of the project broadly match the risk classes outlined in 1.6. Each of these risk classes is strategic but scores low as a risk:

Construction delays

This applies particularly to difficulty in coordinating deployment to match existing construction projects. Taking advantage of 'dig once' opportunities would be a success factor for the project delivery with its potential for adoption on a wider scale across Brighton and the C2C region, and hence this is a strategic risk. However failure to take advantage of these opportunities would not threaten the project overall.

5G standards uncertainty

By its very nature the 5G Testbed is at the edge of the evolving technology and the success of the Testbed upgrade relies on making new standards available quickly. Any difficulties in this area therefore are strategic. However, such difficulties would be overcome by advancing discussions with equipment providers as well as with the research and standardisation bodies and would not threaten the overall success of the project.

Low engagement

A primary objective of this project is to open opportunities for engagement and collaboration by SMEs and research bodies. Low engagement by them therefore would be a strategic issue. However the risk is low and the partners have extensive experience and multiple tools available to drive engagement.

2.6) Project Dependencies

[Summarise any project dependencies that the project has or if there are other projects that are dependent on this delivery (either LGF funded or not) and state the impact to the project if these are not met.]

The project is partially dependent on the timely advancement of related projects and developments. These are summarised in the table below.

Project/development	Dependency	Mitigation
Brighton Dome restoration	Full operation of testbed extension will not be possible until the restoration of the Corn Exchange is complete	The testbed extension can be partially commissioned in the Dome only and tested ready for full operation
Valley Gardens development	Part of the fibre ring cannot be deployed before the corresponding phase of the Valley Gardens redevelopment.	The fibre ring only depends on VG phases 1 and 2, which are already in construction.
Greater Brighton MET campus development	Full connection to the MET will not be possible until the development is complete. A small part of the fibre route passes through the development.	MET connection could be enabled later. An alternative route could be used for a small additional cost.
Availability of 5G SA Radio	The Testbed upgrade cannot be completed until equipment becomes available to support the new 5G SA radio standard.	Equipment will be ordered in advance and delays should not threaten the project deadline. We will work closely with 5G Radio manufacturer to know when the 5G-NR SA would be available and which capabilities it can support within the timeline.
Availability of 5G Core to support 5G-NR SA	The Testbed upgrade cannot be completed until the 5G Core software to support the new standard becomes available.	We will work closely with the 5G core provider. The 5G Core development is a high priority for 3GPP and should not be delayed.

2.7) Project disruption

[Please explain the disruption to the local area during the period of project execution and how you are looking to minimise these disruptions.]

The project does involve disruption through digging to deploy fibre ducting. This disruption can be minimised:

- By working in parallel with developments that are happening anyway, in particular the Valley Gardens developments and the Greater Brighton MET campus development. This is factored into the design.
- By avoiding deployments along and across major arteries and installing duct in walkways and cycleways where possible. This is factored into the design.
- By spacing out the deployment so that disruption is not concentrated in any one area at any one time.
- By working with potential partner projects to deploy additional infrastructure at the same time, for example power conduit for new EV charging points.

3. The Economic Case

3.1) Please describe the options that have been considered in selecting the project proposal, completing both box 1 and 2.

[Please describe the options that have been considered in selecting the project proposal completing both box 1 and 2.
This should include a minimum of 3 options:-
Do nothing, do minimum or status quo
The proposed option (as set out in the executive summary)
An alternative option (which may be based on changes to the scale, scope and cost of the proposed option)]

We examine three options:

Do nothing, do minimum or status quo. No new infrastructure is built. The testbed is not upgraded. There is no Layer-2 connectivity for 5G research (see note 2). No cost savings on connectivity for BHCC.

The proposed option (as set out in the executive summary). Fibre ring is built. Testbed is upgraded. Layer-2 connectivity between 5 sites for research provided by the ring. Cost savings on on connectivity for BHCC.

An alternative option (which may be based on changes to the scale, scope and cost of the proposed option). No fibre ring is built. Testbed is upgraded. Layer-2 connectivity between 5 sites for research is procured through an alternative route. No cost savings on connectivity for BHCC.

Box 1:

Option Name:	Description:	Total cost:	Amount requested:	Core outputs (see 1.6)
Do nothing, minimum or status quo	No new infrastructure is built. The testbed is not upgraded.	£0 Capital £64,090 revenue costs	£0	Status quo

	There is no Layer-2 connectivity for 5G research. No cost savings on connectivity for BHCC.	over 5 years - see note 1.		
Proposed option	Fibre ring is built. Testbed is upgraded at NEH and Brighton Dome. Layer-2 connectivity between 5 sites for research provided by the ring. Cost savings on on connectivity for BHCC. Neutral Host makes fibre available for commercial operators and investors.	£1,115,691 capital £689,869 net revenue cost over 5 years, including: operational costs income from neutral host	£832,646	GVA uplift £115m over 10 years 436 jobs through growth 19 Jobs directly created/ safeguarded. 45 SMEs assisted 3,600 SMEs within reach of fibre .
Alternative option:	No fibre ring is built. Testbed is upgraded. Layer-2 connectivity between 5 sites for research is procured through alternative route - see note 2. No cost savings on connectivity for BHCC.	£499,602 capital cost £822,235 revenue cost over 5 years, including: operational costs of new connections ongoing revenue costs for BHCC connections that cannot be switched	£499,602	45 SMEs assisted 12 jobs directly created/ safeguarded

Notes

1. Continuing ongoing revenue costs for public sector connections that cannot be switched. LINK expects to be able to make savings of around £12.8k annually using the preferred option. This cost is therefore counted in the other two options.

2. Layer-2 connectivity enables high capacity data sharing not possible with Internet.

3. No new fibre is deployed except with the preferred option. Over time it is likely that investment by commercial operators will increase the number of options for fibre connections between the sites, however evidence shows that such investment rarely results in increased availability of dark fibre. The availability of dark fibre is essential to the delivery of GVA uplift here reported, and assists research outcomes.

Box 2:

Option Name:	Advantages:	Disadvantages:
Do nothing, minimum or status quo	No project cost. No disruption.	Benefits not achieved. No savings for BHCC on connectivity.
Proposed option	Benefits and outcomes fully achieved. Dark fibre connections provide research options for data exchange at very high speeds. Legacy fibre and duct network will continue to make savings and earn revenues.	Project capital cost. Disruption.
Alternative options:	No construction disruption. Rapid deployment of limited Layer-2 network. Lower project cost over 5 years. Layer-2 connections allow data sharing.	Limited to 10Gbps. Higher revenue costs. No funder identified for Layer-2 connection revenue costs. Project finishes after 5 years - no legacy. Many of the strategic, economic or financial benefits outlined in this document are not achieved. Minimal opportunities for private sector investment in extending infrastructure. No opportunities for public sector savings using dark fibre. Reduced opportunities for research and collaboration.

3.2) The preferred option

[Please state the preferred option with supporting justification for selection.]

The preferred option is the construction of a shared access duct and fibre ring and full upgrade of the testbed to 5G SA working:

- Public sector partners use the ring to deploy fibre to meet their requirements, save costs and enable new service developments.
- The sites of the 5G Testbed are fully integrated with no effective bandwidth limit to enable maximum scope for innovation.
- The 5G Testbed becomes as close as possible to be fully compliant with Release 16 providing SME and research partners with access to latest evolution.

- The cooperative neutral host deploys its own fibre and rents access to private and public sector dark fibre users.
- The local authority owns a long-life asset that can save costs for public sector over time.
- The neutral host shared access model provides maximum opportunity for collaboration between education, digital-tech-creative businesses and the public sector.

3.3) Issues with preferred option.

[If there are any issues to be resolved before this option may proceed, please provide an overview.]

We are not aware of any issues that need to be resolved before our preferred option can proceed.

3.4) What are the top 5 risks of this option?

[A summary of the top 5 risks of the preferred option should be provided here and a full risk register which includes quantification, ownership and mitigations for each risk should be sent as an annex to the business case.]

Please see our comprehensive risk register for further detail.

The 5 top-scoring risks are all construction related. None of them scores above "green". They are:

- Contractor mobilisation delays - leading to delays in overall completion. This is mitigated by preparing to engage multiple suppliers.
- Delays due to timing of linked construction projects - leading to delays in overall completion. This can be mitigated by adjusting the project schedules or re-routing if necessary.
- Delays in obtaining necessary permissions and wayleaves for construction - leading to delays in overall completion. This is mitigated by use of public highways where possible. There may also be an option to obtain code powers.
- Failure to match project timing with dig-once opportunity in Valley Gardens - leading to increased costs. This is mitigated by adjusting project schedules or using contingency budget.
- Failure to match project timing with reduced deployment cost during MET college redevelopment - leading to increased costs. This is mitigated by adjusting project schedules or using contingency budget.

Please complete the boxes below, answering only those relevant for the theme of your project, referring to the guidance available. Please also complete the outputs tab of the supporting excel spreadsheet.

3.5) Economic impact

[Projects in all themes should answer this question.

How does the project positively affect the level of economic activity in a given area? What is the economic impact?]

Fibre infrastructure impact

The economic impact of the fibre infrastructure (not including the impact of the testbed) has been assessed numerically, based on:

- Numbers of business premises that could be connected - using well established methodology
- Additional estimates of new start up businesses.
- Additional estimates of business that could be connected using Gigabit vouchers.
- Consequent measure of businesses assisted.

- Consequent estimates of GVA growth and jobs impact.

Findings are summarised in the table below:

Spine network length	**5,512**
SMEs with 50m of a chamber	**948**
Addressable	**30%**
SMEs within 200m > 50m	**2,860**
Addressable	**15%**
SMEs affected	**713**
Take up	**30%**
GVA uplift NPV 10 years	**£115,517,976**
GVA per FTE	**£65,400**
Jobs created	**436**

This model only looks at businesses that can benefit from a connection.

It does not include:

- Cost savings for the public sector;
- New investment;
- GVA and jobs created through secondary and tertiary effects;
- Opportunities for residences to connect;
- Education opportunities;
- Growth for service provider and other businesses exploiting the network.

Testbed impact

Additional investment in the proposed extension for the 5G testbed can unlock significant economic benefits, both to the regional economy and to catalyse growth nationally. Economic benefits from 5G will come from a number of sources, particularly the potential for new and improved products, and increased productivity through better efficiency in their production and the emergence of new business models. Given the disruptive nature of 5G, specific projection of the scale of benefits is challenging; however recent research on use cases within manufacturing indicates that improvements in efficiency through improved asset management could translate into 25% cost reductions.

This means that 5G is likely to have an economic effect well beyond any short-term commercial return to companies directly engaged in the programme. Specifically, the test bed will help accelerate and enable:

- The introduction of new goods and services, with higher data rates and lower latency expected to enable greater use of IoT devices
- Improve business efficiency in producing and delivering goods and services, and enable scope for greater innovation and the development of new products.
- Improve health and social outcomes, for example wearable technology and IoT devices will help people better access health and education services in a more timely and personalised fashion

3.6) Environmental Impact

[Projects in all themes should answer this question.

What are the environmental consequences, both positive and negative of the project?]

The construction of the ring will have a temporary adverse environmental impact due to disruption, construction traffic, construction waste.

We will minimise these adverse impacts by:

- Reducing disruption and construction waste by maximising the use of dig-once opportunities and duct deployment in footway.
- Ensuring that contractors meet appropriate environmental standards.

Further, maximum benefit accrues for the environmental cost because of the collaborative shared asset model:

- The open-access neutral-host model will mean that telecoms businesses and ISPs wishing to deploy their own fibre have no need to re-dig.
- MNOs wishing to deploy 5G radio equipment will have access to existing fibre assets and carrier-neutral co-location at BDX, reducing the need to re-dig or deploy new facilities.
- There will be an opportunity to deploy new ducting to support power to EV charging points, eliminating the need to re-dig.

The shared infrastructure will also produce some indirect local environmental benefits:

- Switch to full fibre and 5G working reduces maintenance load and energy costs associated with legacy copper networks - fewer callouts and disruption, lower energy consumption;
- Opportunities for at-distance collaboration and data exchange will reduce journeys.

3.7) Social Impact

[Projects in all themes should answer this question.
What are the social consequences, both positive and negative of the project?]

The commercialisation model is designed to ensure access to opportunities for small and growing businesses, and ensure that the wealth generated by the ring is kept within local communities. This accords with the city council's goals around *community wealth building*, as expressed in the Fair City strand of the city's Economic Strategy. Digital Catapult 5G Brighton Testbed was the first non-academic 5G testbed in the country (credit to C2C LEP funding in 2016), designed specifically to maximise opportunities for local SMEs to access state of the art technology.

- The project will generate significant economic growth and research collaboration with consequent education, training and working opportunities.
- The project construction will provide opportunities, potentially for businesses employing locally and training in skills such as fibre splicing.
- Ongoing operation and maintenance of the ring will provide opportunities for businesses employing locally and training in telecoms skills.
- The chosen neutral-host commercialisation model will encourage collaboration between and with public and private sector, helping to encourage the sustainable and stakeholder-focused business culture in Brighton.

3.8) The number of people and businesses positively impacted by the intervention?

[Projects in all themes should answer this question.
Please try and give an indication of the number of people and businesses that will be positively impacted by the intervention.]

- The fibre ring will pass within reach of more than 12,000 premises, including 3,800 business premises.
- Fully open access through the neutral host will enable multiple ISPs to launch high-specification competitively priced products including broadband using fibre and 5G.
- At least 10 businesses will have opportunities to launch new products by engaging with the testbed and/or operation of the fibre.
- The 5G Testbed Acceleration programme open calls will aim to recruit at least 5 SMEs 2 or 3 times a year, leading to at least 45 SMEs benefiting from the 5G Testbed features. We estimate at least 10 of those will be new companies established in the last three years.
- We foresee at least 15 collaborations resulting between SMEs and the research base enabled by the usage of the testbed.
- From the SMEs assisted we expect to generate at least 10 high-value, knowledge-intensive jobs and safeguard 7.

3.9) Follow on Investment

[Projects in all themes should answer this question.

Does the project have any follow on investment potential? If yes, at what level and is this confirmed? An example may be if the LGF is being requested to fund a roundabout that opens up land for development.]

The Brighton Research & Innovation Fibre Ring is designed to reduce barriers to investment and to open opportunities for linking with other initiatives. This will result in numerous opportunities for follow-on investment:

- The upgraded testbed will provide digital-tech SMEs with an opportunity to develop and test new products and services, leading to significant investment opportunities and growth.
- The ring passes within 200m of an estimated 4000+ SMEs. These create a potential market for investors to address using their own funds and Gigabit vouchers.
- The ring passes close to 10 public sector sites already served by the LINK providing opportunities to connect these for a small investment with consequent revenue savings and service improvements.

The fibre ring is designed to be extended. A key advantage of the cooperative neutral host model is that it provides a mechanism to support additional investment by multiple partners without overbuilding. Potential investors include public as well as private sector bodies looking for an opportunity to obtain reliable returns by building on a strong core.

3.10) Skills projects only- Impact on Skills Provision

3.11) Business and enterprise projects only- Impact on business growth

[How does this project address business growth in terms of a 20% increase in turnover and jobs over the next 3-5 years? Either directly if the project sponsor is a business or indirectly by impacting more than one businesses, for example through the supply chain or id the project is for business premises.]

3.12) Infrastructure and Regeneration and Housing projects only- Physical and aesthetical impact- Does the project make a positive and lasting contribution to the physical, human and cultural environment?

[Both Infrastructure and Regeneration and Housing projects are required to answer this question.

Please explain whether the project makes a positive and lasting contribution to the physical, human and cultural environment.]

Once construction of the Brighton Research & Innovation Fibre Ring is complete there will be no visible legacy impact on the environment.

The ring will directly encourage innovation in the use of 5G technology to enhance user and visitor experience at locations including Brighton Dome, the Pavilion and Jubilee Library, as well as potentially throughout the Valley Gardens outside environment.

The ring infrastructure is designed to last a minimum of 25 years. The shared access neutral host model will minimise the need for other fibre deployments in the future.

Secondary impacts of the new infrastructure such as reduced need for journeys will help meet environmental targets.

The ring and testbed will enable the development and deployment of 'smart city' applications such as environmental monitoring and improved traffic management.

3.13) If your project results in service and other improvements then please provide baseline data below.

[All projects that result in service or other improvements are required to answer this question.

Please provide baseline data for any service improvement or other improvement metric along with what the intervention will achieve.]

Metric	Baseline		What the intervention will achieve	
	Figure	Year	Figure	By when

It is anticipated that public sector partners will use the ring to enable significant service improvements. These will result from innovation and follow-on investment. Thus it is not possible to provide a comprehensive list or baseline data yet, however examples are:

- Public sector Wifi/5G deployment enables roaming for workers, improving efficiency;
- Lower cost Internet connectivity for public sector partners, thus making new services viable;
- Low cost hyper-fast connectivity between local authority sites will improve opportunities for data sharing;
- The ring will provide public sector bodies with easy access to multiple service providers with opportunities to improve digital service resilience.
- The ring will assist deployment of new 'smart city' applications that will improve service delivery, such as improved traffic management.

4. The Commercial Case

4.1) Please provide details of your envisaged procurement route.

Please provide information in relation to all parts of the project that will be procured for external delivery not just the LGF funded elements. Procurement must be in line with the Public Contracts Regulations 2015 and other applicable

laws as this is public money Please follow the link below to read the regulations http://www.legislation.gov.uk/uksi/2015/102/pdfs/uksi_ 20150102_en.pdf

BHCC will procure:

- Dig and duct deployment including chamber location and detailed planning.
- Deployment and test of fibre for own use.
- Deployment and test of fibre for commercial sale.

Existing frameworks will be used to reduce procurement time. In particular there is an opportunity to use the SCAPE framework which is already being used in Mid Sussex. This will allow sufficient teams to be mobilised to meet the funding deadline.

Digital Catapult will procure:

- 5G Brighton Testbed Specification, procurement, installation, integration, testing and commissioning of the extensions (Hardware/Software).
- 5G equipment: upgrade to 5G Core software (future 3GPP releases), 5G NR hardware, 5G NR indoor cells, servers with multiple GPUs, etc.
- 5G Brighton Testbed installation and testing in both Brighton Dome and New England House

Digital Catapult will use existing frameworks it has linked to the 5G Brighton testbed construction to reduce procurement time. Digital Catapult will use its existing knowledge of the 5G hardware and software markets in order to secure competitive quotes in line with our procurement policy, looking to meet the ambitious timeline of the project.

4.2) Involvement of private development partners.

[If private development partners will be required to deliver the project, at what stage are discussions/negotiations?]

- Digital Catapult is a not-for profit company limited by guarantee and is a partner in this project.
- Brighton Digital Exchange (BDX) is a cooperative society and is a partner.
- BHCC has been invited to join the BDX cooperative, so that BDX members can be offered non-exclusive access to the BHCC assets.
- Balfour Beatty has been engaged under the SCAPE framework by Mid Sussex district council, with a requirement to deploy fibre in Brighton connecting to BDX. Discussions have started on extending this work to include the B5GFR project.
- BHCC is already engaged with contractors that can assist with deployment.

4.3) Procurement plan and timescales.

[Please outline the procurement plan and timescales, including statutory and other consents required such as planning.]

Action	Target completion
Appoint primary construction partner using SCAPE framework	+1 month from award
Appoint secondary construction partner	+2 months from award
Appoint fibre deployment and maintenance partner	+1 months from award
Place equipment orders for 5G Radio	+0 months from award
Raise section 50 consents where needed	+1 months from award
5G Brighton core procurement	+7 months from award

4.4) How will the project contribute towards social value?

[All Coast to Capital delivery bodies will be required to show how the project increases social value in accordance with the Social Value Act 2012. In particular you should demonstrate how your project will increase opportunities for small and medium sized businesses and increase opportunities for local residents to enhance their skills and career progression prospects. Please also include details of how you will deliver social value in any other way.]

Social value lies at the heart of the Research & Innovation Fibre Ring project. It also lies at the heart of Brighton & Hove's Economic Strategy 2018.

Local SME ecosystem

The project is designed to ensure access to opportunities for small and growing businesses. So for example:

- The 5G Brighton Testbed is democratising access to advanced connectivity technology for the innovator community.
- Local companies who are producing connectivity-related innovations either in hardware or software can test and enhance them on the latest 5G standards, with open access to the testbed including the possibility to programme the network.
- Application developers from other industrial sectors (such as creative companies or AI reliant) can use the 5G infrastructure to test products and future proof them for commercial deployment.
- The commercialisation model for access to the fibre will provide multiple opportunities for local SMEs to access infrastructure that would otherwise be beyond their reach, and to play a role in the operation and maintenance. This ensures that the wealth and prosperity generated by the fibre ring stays local.

Skills opportunities

- Ensuring engagement of local and growing digital-tech businesses will lead to opportunities for apprenticeships, training and career development - for example in fibre splicing and telecoms skills.

Collaborative and sustainable business culture

- The neutral-host model will encourage collaborative approaches, promoting cooperation between and with public and private sector.
- This will encourage the development of the collaborative, sustainable and stakeholder-focused business culture in Brighton.

Open innovation culture

- By offering opportunities to experiment and innovate using digital technology, the project will enhance Brighton's position as a cultural and tech centre and enhance the lives of its citizens with opportunities to learn and engage.

4.5) State Aid Compliance.

Please refer to the State Aid summary provided with the bid application guidance and provide your justification to show that your project is state aid compliant.

In support of the above please provide as an annex to this business case

- Practising solicitor's letter or counsel's advice/ independent legal advice setting out compliance with state aid tests set out in the summary document provided.

[Please provide an explanation of how your project is State Aid compliant and how you came to that opinion? If you have received any external advice please send as an appendix. If your project is likely to involve you in economic activity, then regardless of whether you are a public authority, you need to provide state aid justification. The key questions to consider can be found in the attached document (including possible exemptions).]

We confirm that the project will not involve the grant of any state aid. Please find appended to this bid a letter from the city council's solicitor confirming this position.

The ring will have three applications:

- Research: the research activity by Digital Catapult is not economic activity and therefore does not involve the grant of any aid.
- Public sector: use of the ring by public sector bodies to enable cost savings and service improvements does not involve economic activity.
- Commercialisation: commercial access to the infrastructure will be mediated through the cooperative neutral host at market rates and so will not involve the grant of any subsidy or aid in accordance with the Market Economy Operator Principle (MEOP). The rates have been benchmarked in a report from PwC for another local authority, available in redacted form.

Rationale

In line with the guidance provided, our rationale for this conclusion is as follows:

- The infrastructure will be publicly owned and will serve purposes that are not economic activity - specifically the research purposes undertaken by Digital Catapult, and the provision of connections to public sector sites.
- Access to the infrastructure (that will constitute economic activity) will be made available to private sector users on a non-exclusive, non-discriminatory basis through the cooperative neutral host, a neutral intermediary that will pay BHCC a commercial rate to deploy its own fibre in BHCC ducts. This commercial rate has been benchmarked (against rates charged by Openreach).

Additionally:

- The neutral host will provide wholesale access to the fibre to its members. This is 'raw' access to the fibre itself. The members create their own telecoms and Internet services using this.
- Membership is open to anyone meeting the specified membership criteria. These are designed primarily to ensure equitable sharing of resources and responsible wholesale use of the infrastructure, and are not onerous. BHCC will itself be a member.
- The neutral host will not be granted any exclusivity of access.

Supporting evidence

- Digital Catapult is extensively funded from public sources to carry out its non-economic activity and can provide evidence supporting this.
- The cooperative neutral host uses a commercialisation model developed in Tameside. The state aid treatment of this was examined by PwC in a report, made available by DCMS in a redacted form (and attached as an appendix). The report examines all the transactions between local authority and the cooperative neutral host and concludes that each is in accordance with MEOP.
- Mid Sussex District Council will use the same model to commercialise access to infrastructure that it is deploying, including a connection to BDX.

5. The Financial Case

5.1) what is the estimated total project cost and the amount of LGF being applied for? Please complete the funding breakdown tab in the supporting excel spreadsheet.

[Please complete the table provided to show the total project cost and LGF amount being applied for in each financial year, and broken down in each quarter. Please also complete the funding breakdown tab in the supporting excel spreadsheet.]

LGF financial year starts from 1st April – 31st March (Q1 would therefore be April-June). **No rounding up.**

Quarter	Matched Funding Contribution	LGF
19/20 – Q1		
19/20 – Q2		
19/20 – Q3	45,637	59,083
19/20 – Q4	97,030	205,476
20/21 – Q1	142,648	375,537
20/21 – Q2	148,953	157,342
20/21 – Q3	40,726	35,208
Total	474,995	832,646

5.2) Please set out the project expenditure items – No rounding up.

Please state the date of this estimate- July 2019

Projects costs (delete or add as appropriate)	**Total cost (£)** (LGF plus Matched funding)	**LGF (£)** Capital items only.	**Match funding (£)**
Land Acquisition			
Planning and Feasibility studies	£16,500	£16,500	£0
Surveys	£7,000	£7,000	£0
Construction, inc-materials, equipment and labour	£938,552	£713,417	£225,136
Fit out (inc. equipment and furnishings not included in construction)	£90,000	£90,000	£0
Project management	£35,730	£5,730	£30,000
Consultancy			
Operational costs (to March 2023)	£549,602	£0	£549,602
Contingency*	£27,909	£0	£27,909
Total Net Cost	**£1,665,293**	**£832,646**	**£832,647**
VAT	**£333,059**	**£166,529**	**£166,529**

Total Gross Cost	**£1,998,351**	**£999,176**	**£999,176**

Please ensure the matched funding and LGF amount to the total costs and that the LGF requested does not exceed the 50% percentage allowed.

Notes
Operational costs consist of:

- Running 5G Testbed Accelerator Programme (personnel, travel and subsistence, other costs) until March 2023
- Contribution to BDX operational costs to March 2022

* Contingency associated with risk of fibre ring cost overruns, e.g. if need to re-route

5.3) Net Present Value cash flow analysis.

[*Please provide a Net Present Value cash flow analysis for each of the options. Workings should be included as an appendix.*
You should also detail your project assumptions and discount rate used.]

Options	**NPV**
Do nothing, minimum or status quo	-£57,874
Proposed option	-£1,234,876
Alternative option	-£1,210,419

Please detail your project assumptions and discount rate used-

NPV

- All NPVs are calculated over 5 years starting 1 April 2019.
- All NPVs use the Green Book recommended rate of 3.5%.

Do nothing, minimum or status quo

- The 5G Brighton testbed is not upgraded.
- There is no layer 2 connection between Brighton Dome testbed extension and the main testbed in NEH (connection is by Internet).
- There is no layer 2 connectivity between the testbed in NEH and HE/FE research sites.
- No new fibre is built.
- There is a continuing cost to BHCC of connections for 10 sites that could be connected using the BR&IR, calculated by The LINK at £12,800 per year.
- The NPV of that cost is shown.

Proposed option

- The 5G Brighton testbed is upgraded.
- There are consequent operational costs associated with the Testbed Accelerator Programme and provided as match funding.
- A 5.5km duct and fibre ring is built.

- There is full, resilient layer 2 connectivity between Brighton Dome testbed extension and the main testbed in NEH.
- There is full, resilient layer 2 connectivity between the main testbed in NEH and 3 research sites.
- BHCC saves the cost of connections for 10 sites by using its own fibre. Savings calculated by The LINK at £12,800 per year. For comparison this cost is counted as zero in the NPV calculation.
- There are annual fibre operational costs.
- There are BDX operational costs covered by BHCC to support expansion over 2.5 years.
- BDX pays BHCC an annual fee for duct access.
- BDX pays BHCC an annual share (50%) of the fibre operational costs.
- BHCC has in place a depreciated asset at the end of the 5-year period (duct and fibre).
- Depreciation on duct is counted at 40 years (DCMS recommended).
- Depreciation on fibre is counted at 25 years (expected life).
- The net present value of these revenues and costs is shown.

Alternative option

- The 5G Brighton testbed is upgraded.
- There are consequent operational costs associated with the Testbed Accelerator Programme provided as match funding.
- No fibre ring is built.
- Layer 2 connectivity (10Gbps) between Brighton Dome testbed extension and the main testbed in NEH is purchased from Openreach on a 5-year contract. BDX member Fastnet is used to provide a backup route.
- Layer 2 connectivity (10Gbps non-resilient) between the main testbed in NEH and 3 research sites is purchased from Openreach on a 5-year contract
- There is a continuing cost to BHCC of connections for 10 sites that could be connected using the BR&IR, estimated by The LINK at £12,800 per year. This is counted as a cost in the NPV calculation for comparison.
- The net present value of all these costs is shown.

5.4) Value for money

[Please detail how the project offers value for money. You should look to address the following. Cost per job, cost per home, deadweight, displacement, benefit cost ratio and any other evidence of value for money.]

The Brighton Research & Innovation Fibre Ring aims to leverage two assets that are unique to Brighton, and which result in very significant multiplier effects for the impact of the investment:

- The 5G Brighton Testbed is unique in its focus on SME applications and has a track record helping drive SME innovation and growth.
- The thriving Brighton creative-digital-tech ecosystem with collaboration at its heart, driven by partner organisations Wired Sussex, Digital Catapult and Brighton Digital Exchange.

The rapid growth in the sector means that careful use of public funds can stimulate very significant economic growth. This is demonstrated in the GVA uplift figures here reported based on a conservative model.

Similar leverage applies to direct public sector use of the new infrastructure, with potential for very large savings in public service delivery.

The unique offer of the 5G Brighton Testbed results in minimal deadweight during the life of the project since no alternatives exist and the early availability of a test and development platform is a key outcome.

The cooperative neutral host commercialisation model minimises deadweight in fibre deployment because it provides an open access platform for new investors, who can focus investment funds where there is no available asset.

The table below summarises some key statistics drawn from the impacts planned for the project.

VfM	
Total project	£1,665,293
Cost per indirect job	£3,819
Cost per job directly created or safeguarded	£87,647
Benefit cost ratio 5 year GVA	56

5.5) VAT status

VAT payable on construction and other works incurred by BHCC will be reclaimed by BHCC.

VAT payable on equipment and other costs incurred by Digital Catapult will be reclaimed by Digital Catapult.

5.6) Financial Sustainability

Please explain how the project will be sustained financially after the investment of LGF is completed?]

The Brighton Research & Innovation Fibre Ring will be sustainable financially.

Fibre ring

Operation and maintenance costs for the fibre will be fully covered through commercialisation arrangements:

- BHCC will charge BDX duct rental fees;
- BHCC may also charge duct access fees to public sector partners;
- BHCC will be responsible for repairs to ducting. This is most likely required because of damage caused during construction works and can be reclaimed.
- Overall these arrangements will leave BHCC with a net income.

BDX will:

- Charge members dark fibre rental fees;
- Pay BHCC for duct rental;

- Pay maintenance fees to an appointed supplier;
- Pay interest on capital subscribed by members;
- Hold accumulated surplus for investment in network extensions.

This business sustainability model is in line with practice elsewhere in the UK where the cooperative neutral host model is being applied.

5G Brighton Testbed

Operation and maintenance costs for the Testbed will continue to be the responsibility of Digital Catapult. Digital Catapult will use its own funding to cover these costs. Digital Catapult will also seek further collaboration with equipment and industry partners in order to secure further support for experimentation and proof of concept development, using the built facilities. All the collaborations with telecom or other sector focused industry built by the Digital Catapult will respect our technological neutrality, driving the adoption of advanced digital technologies by UK industry verticals and encouraging further scaling of the existing investments.

6. The Management Case

6.1) In which financial year do you expect your project to commence?	2019/20
6.2) In which financial year do you expect your project to complete?	2022/23

6.3) Please set out the key milestones related to the project. Please include planning permissions, funding secured, PR and events.

[Please provide the quarter and financial year in which you anticipate the project to start. This may have already started. For most projects this would be the start on-site date.

Please provide the quarter and financial year in which you anticipate the project to complete.

Please set out the milestones using the table provided adding more rows as necessary. Please also attach a project plan as an appendix if one is available.]

- 6.1: The project will start from the grant award, assumed in September (end Q2 2019/20)
- 6.2: The project will last until March 2023
- All LGF-funded elements will be complete and tested by December 2020 (Q3 2020/21)
- A detailed project plan will be created following procurement of contractor

Milestone	Start date	Completion date
Overview		
Grant Agreement signature	Sep 2019	Sep 2019
Fibre construction	Oct 2019	Oct 2020
5G Testbed extension	Oct 2019	Dec 2020
5G Testbed accelerator programme (TAP)	Apr 2020	Mar 2023

Construction and fibre		
Contractor procurement (construction)	Sep 2019	Oct 2019
Detailed fibre design (chamber locations etc)	Oct 2019	Oct 2019
Construction Sectors	Jan 2020	Oct 2020
Sector 1 North	01/01/2020	29/04/2020
Sector 2 Level	01/11/2019	24/01/2020
Sector 3 London Road	01/04/2020	07/10/2020
Sector 4 North Laine	01/04/2020	24/06/2020
Sector 5 North spur	01/04/2020	28/10/2020
Sector 6 Valley Gardens	01/01/2020	13/05/2020
Fibre deployment	Feb 2020	Nov 2020
First connection	Jun 2020	Jun 2020
Connection of The Dome	Jun 2020	Jun 2020
Connection of GB MET	Jul 2020	Jul 2020
5G Testbed Extension		
5GBr Equipment specification	Oct 2019	Dec 2019
5GBr Equipment procurement	Jan 2020	June 2020
5GBr Extension commissioning	Jun 2020	December 2020
5G Testbed Accelerator Programme (TAP)		
5G Accelerator Programme cohorts and showcase / demo	Apr 2020	Mar 2021
5G Accelerator Programme cohorts & showcase / demo	Apr 2021	Mar 2022
5G Accelerator Programme cohorts and showcase / demo	Apr 2022	Mar 2023

6.4) Project management arrangements

[Please set out the project management arrangements that will be used to successfully manage the project to time and budget.]

Project management will be overseen by the Project Board (see 6.6 Governance). The project board consists of:

- BHCC
- C2C LEP
- Digital Catapult
- Brighton Digital Exchange
- Key stakeholders

Further details of the project board are given in 6.6.

Individual partners will take responsibility for financial and project management of individual components, reporting to the Project Board. This is summarised in the table below.

Project component	**Responsible partner**	**Individual**
Project oversight	Project Board	BHCC to nominate chair
Fibre ring construction	BHCC	Max Woodford
Testbed extension construction and operation, including Accelerator Programme delivery	Digital Catapult	Ray Lambe
Fibre ring commercialisation	Brighton Digital Exchange	Joe Kerr
Project evaluation	Project board	BHCC to nominate
Business engagement	Wired Sussex	Phil Jones

6.5) Key project roles and responsibilities

[Please set out the key project roles and responsibilities involved in delivering the project.]

Key roles and responsibilities are given in the table below.

Partner	**Responsibility**
Project board	**Project oversight** ● Approve specifications and design ● Approve construction contractor procurement ● Monitor milestones **Project evaluation** ● Monitor KPIs
BHCC	**Fibre ring construction** ● Commission detailed duct design and specification ● Procure duct construction and fibre deployment ● Project manage construction **Finance** ● Maintain project accounts ● Funding drawdowns and distribution
Digital Catapult	**Testbed Extension construction** ● Finalise detailed design ● Procure equipment ● Commission installation ● Test **Testbed Extension utilisation** ● Facility maintenance ● 5G TAP delivery

	• Report on Testbed KPIs
Brighton Digital Exchange	**Fibre ring commercialisation** • Product design and pricing • Fibre maintenance • Report on commercialisation KPIs

6.6) Governance, oversight and accountability

[Please explain what governance, oversight and accountability arrangements will be put in place if your project is awarded Local Growth Funding.]

Governance and oversight will be the responsibility of a Project Board, consisting of the project partners and key stakeholders:

- BHCC
- C2C LEP
- Digital Catapult
- Brighton Digital Exchange
- Key stakeholders (see below)

The key stakeholders expected to join the Project Board are:

- The LINK
- University of Brighton
- University of Sussex (SinC)
- Greater Brighton MET
- Brighton Dome
- Wired Sussex

The Project Board will oversee the project. Individual partners will take responsibility for project management of individual components, reporting to the Project Board. This is detailed in 6.4.

Continuation and stewardship role

The project board will continue to operate after December 2020, and potentially beyond the 5-year timeline for the project. This will allow it to take on a longer-term stewardship role as opportunities arise to add new assets. In this role the Project Board will represent stakeholders and advise BHCC on the use and extension of BHCC-owned assets, including the Research & Innovation Fibre Ring duct and publicly-owned fibre deployed in that duct. The project board will undertake:

- Stewardship of new shared assets added to the infrastructure using dig-once opportunities;
- Engagement with private and public bodies interested in investing to extend the fibre infrastructure;
- Engagement with other stakeholders;
- Continuing evaluation of the use of the infrastructure.

Digital Catapult

Digital Catapult will engage with private and public bodies interested in investing to extend the 5G Testbed capability and associated programmes.

Brighton Digital Exchange (BDX)

BDX will act in the role of cooperative neutral host. In this role it will pay BHCC a (market-rate) duct rental fee for non-exclusive access to BHCC duct, so that it can deploy and operate its

own fibre for shared access by its members. In line with cooperative principles, BDX is an autonomous body:

- BDX is governed by its (corporate) members;
- Each member has one vote and full sight of finances and operations;
- Members adhere to a code of practice;
- Members elect a board which can be replaced at any time;
- BHCC will join BDX.
- Digital Catapult will consider becoming a member of the BDX, in order to access managed dark fibre service.

6.7) Communications and stakeholder management

[Please set out the strategy and plan for communications and stakeholder management?]

The Project Board will oversee communications and stakeholder engagement for the duration of the project.

The communications and stakeholder engagement strategy will pursue the following objectives:

- Ensure all partners and stakeholders are aware of progress, developments and decisions taken;
- Ensure that the Project Board and partners are aware of the currently expressed needs and aspirations of stakeholders;
- To the degree possible, ensure that the development of the project reflects the evolving needs and aspirations of stakeholders;
- Raise awareness in the business and citizen community of the successes and achievements of the project, and of the opportunity to engage;
- Recruit new partners and stakeholders (although see role of BDX below).

The strategy will incorporate and apply methods including:

- Meetings and events;
- Mailing list and social media;
- Web pages.

Project partners will assume responsibility for particular elements. Their roles and planned activities are summarised in the table below.

Area/stakeholders	**Responsible partner**	**Activities**
Digital sector and wider community	Wired Sussex	Events; Monthly update.
Testbed access	Digital Catapult	Open calls; Events and seminars; Showcases / demos.
Fibre access	BDX	Awareness raising events; Web site; Mailing list.
ISP and telecoms services	BDX members	Chosen marketing channels.

6.8) Benefits management

[Please set out the strategy and plan for dealing with the management and delivery of benefits.]

The benefits of the project come in five main areas:

- **Testbed**: potential for digital-tech sector businesses to engage in and use the testbed;
- **Fibre**: potential for Internet and telecoms providers, including public sector, to access and use the fibre;
- **Collaboration**: potential for creative and digital-tech businesses, public sector and research bodies to collaborate in research and development;
- **Investment**: potential for telecoms and Internet operators and investors to invest in network expansion for a commercial return;
- **End users**: potential for end users to access new connectivity products and services.

Delivery of these benefits is central to the purpose of the project, and success will be monitored and evaluated by the Project Board.

Each of the benefits is managed and mediated by a project partner. This is summarised in the table below.

Benefit	**Responsible partner(s)**	**Form of mediation**
Testbed	Digital Catapult	Testbed Acceleration Programme, includes open calls and curated engagement.
Fibre	BDX	Membership, products and price list
Collaboration	Digital Catapult, Wired Sussex	Events, open calls
Investment	Project board, BDX	Dialogue, BDX membership
End users	BDX members, BDX	Marketing and awareness raising

6.9) Project evaluation – This will be a requirement at the completion of a project.

[Please set out the arrangements you envisage for post project evaluation.]

The Project Board will oversee project evaluation at the completion of the project (5 years), and will continue to monitor and manage benefits of the fibre ring for the life of the infrastructure.

Project evaluation will focus on the 5 benefits:

- **Testbed**: digital-tech sector businesses using of the testbed;

- **Fibre**: Internet and telecoms providers, including public sector, accessing and using the fibre;
- **Collaboration**: creative and digital-tech businesses, public sector and research bodies collaborating in research and development;
- **Investment**: investment in network expansion for a commercial return;
- **End users**: end users accessing new connectivity products and services.

These benefits will be evaluated using KPIs, monitored by project partners and overseen by the Project Board. This is summarised in the table below.

Benefit	**Responsible partner(s)**	**KPIs**
Testbed	Digital Catapult	• New products under development; • Start-up and growing businesses engaged.
Fibre	BDX	• Number of members; • Products taken up.
Collaboration	Digital Catapult, Wired Sussex	• Known collaborative projects; • Known spin-out JVs and partnerships.
Investment	Project board, BDX	• Investors; • Invested sums.
End users	BDX members, BDX, LINK	• End users reported. • Public sector end users.

Recommendation & Declaration

Recommendation- please state clearly the recommended action this business case supports.

That Local Growth Funding support is given to the Brighton Research & Innovation Fibre Ring Project.

Declaration:	**I certify that the information provided in this Business Case is complete and correct at the time of submission.**
Signature:	
Print Name:	Max Woodford
Title:	Assistant Director City Development & Regeneration
Date:	15/08/2019

Before submitting your Business Case ensure you have all the required supporting documentation:

- **One electronic copy of the business case template, signed and dated**
- **Excel Spreadsheet (both tabs completed)**
- **Full risk register**
- **Any other Supporting documents and evidence required (e.g. letter of support from Area Partnership**
- **Written evidence to the satisfaction of the Coast to Capital Accountable Body from a practicing solicitor / Counsel that the project is compliant with the EU state aid rules.**
- **VAT external advice if applicable.**

POLICY & RESOURCES COMMITTEE	Agenda Item 130 Brighton & Hove City Council

Subject:		**Housing Revenue Account Budget & Capital Investment Programme 2020/21 and Medium Term Financial Strategy**		
Date of Meeting:		**15 January 2020**		
Report of:		**Interim Executive Director for Housing, Neighbourhoods & Communities**		
Contact Officer:	Name:	**Shaun Hughes**	**Tel:**	**01273 29 05 69**
	E-mail:	shaun.hughes@brighton-hove.gov.uk		
Wards Affected:	All			

FOR GENERAL RELEASE

Action Required of the Policy & Resources Committee:

The Housing Committee approves and recommends to Policy & Resources Committee:

2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;

2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and

2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

BRIGHTON & HOVE CITY COUNCIL

HOUSING COMMITTEE

15 JANUARY 2020

COUNCIL CHAMBER, HOVE TOWN HALL

Present: Councillor Williams (Chair) Brennan (Deputy Chair), Gibson (Opposition Spokesperson), Mears (Group Spokesperson), Atkinson, Barnett, Fowler, Heley, Hugh-Jones and Osborne.

MINUTE EXTRACT

PART ONE

45.1 The Committee considered the report presented by Jill Fisher (Head of Finance), Monica Brooks (Principal Accountant) and Glyn Huelin (Head of Housing – Repairs & Improvement).

45.2 The report presented the proposed Housing Revenue Account (HRA) revenue and capital budget for 2020/21 as required by the Local Government & Housing Act 1989. Members are required to consider the revenue budget proposals including re-investments (service pressures) and changes to rents, fees and charges along with the capital programme. The report also set out the Medium Term Financial Strategy and a 30-year financial forecast.

45.3 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,500 rented properties and 2,900 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.

45.4 Councillor Peter Atkinson considered that the rent increase of 2.7% seemed reasonable. It was noted that Brighton and Hove City Council temporary accommodation is generally good, and the increase in photovoltaic panels is good news. The increase in arrears from Universal Credit, is not good news. Councillor Atkinson was informed that there is an energy review in the Housing delivery plan, housing associations are included in early engagement programmes on downsizing, 50 homes will benefit from solar panels, and senior resident's laundry charge covers all costs will include energy supply at £2 per week. It was noted that lightning protection for blocks of flats is being looking into.

45.5 Councillor Mary Mears felt that inflation should not be included in the HRA budget. Councillor Mears was informed that as a result of the Grenfell fire enquiry, sprinklers have been installed in new builds and the Committee will be informed in the future of other installations. It

was noted that the development of a new solar energy efficiency strategy for council homes with a detailed report is being brought to Housing Committee in June 2020. Ventilation and heating repairs and maintenance will be covered by Mears Group PLC.

45.6 Councillor Gill Williams stated that they had been working closely with those affected by the recent fire in a block of flats and will make sure that action will be taken to ensure the safety of residents who live in the city.

45.7 Councillor David Gibson approved of the consultation approach to the strategy, the increase of the Photovoltaic panels and the pre-engagement aspects. It was noted that the additional £3.5m would achieve approximately 14/15 homes. Councillor Gibson was informed that the burrowing cap had not yet been reached. Approximately 40 homes are being brought under the right-to-scheme each year. A further member of staff is to be added to the income team to assist with the transition to Universal Credit. Councillor Gibson supported the creation of reserves for future spending.

45.8 Councillor Siriol Hugh-Jones was informed that at the end of the current contract for repairs and maintenance in March 2020, a number of significant projects will complete this financial year with the associated service charges being billed to leaseholders later this year. The stock condition survey is ongoing and regular. The survey will influence HRA Capital programme and include empty properties. It was noted that not all rents were received from tenants and this added to the rental income overspend for 2019/20. New build properties have helped to increase income. Downsizing is being encouraged to free up properties across the city and is always under review. Councillor Hugh-Jones was informed that the cost of senior housing guest rooms would be investigated, and the committee informed of the findings.

Resolved:

That the Housing Committee approves:

2.1 That a rent increase of up to 2.7% in line with government legislation as detailed in paragraph 4.11 of the report be approved;

2.2 That service charges and fees as detailed in Appendix 3 to the report be approved;

2.3 That the contribution to Youth Services from the HRA will continue with the addition of inflation at a total cost of £0.255m in 2020/21 be noted;

2.4 That the proposal to set up a capital reserve of £2.900m for use in 2021/22 as discussed in paragraph 4.9 of the report be noted;

2.5 That the proposal to set up a new Rent Reduction Reserve for £1.010m (see paragraph 4.10 of the report) be noted;

2.6 That the current HRA forecast outturn for 2019/20 in Appendix 1 to the report of £0.200m underspend be noted; and

2.7 That the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 5 to the report be noted; and

That Housing Committee approves and recommends to Policy & Resources Committee:

2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;

2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and

2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

That Full Council:

2.11 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be approved;

2.12 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and the 3-year programme as set out in Appendix 4 to the report be noted; and

2.13 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

HOUSING COMMITTEE	Agenda Item 45 Brighton & Hove City Council

Subject:		Housing Revenue Account Budget & Capital Investment Programme 2020/21 and Medium Term Financial Strategy	
Date of Meeting:		**15 January 2020** 13 February 2020 – Policy & Resources Committee 27 February 2020 – Budget Council	
Report of:		Executive Director for Finance & Resources Executive Director for Housing, Neighbourhoods & Communities	
Contact Officer:	**Name:**	Monica Brooks Martin Reid	Tel: 01273 29-2279 01273 29-3321
	Email:	Monica.brooks@brighton-hove.gov.uk Martin.Reid@brighton-hove.gov.uk	
Ward(s) affected:		All	

FOR GENERAL RELEASE

1 PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This report presents the proposed Housing Revenue Account (HRA) revenue and capital budget for 2020/21 as required by the Local Government & Housing Act 1989. Members are required to consider the revenue budget proposals including re-investments (service pressures) and changes to rents, fees and charges and also the capital programme. This report also sets out the Medium-Term Financial Strategy and a 30 year financial forecast.

1.2 The HRA contains the income and expenditure relating to the council's social landlord duties covering approximately 11,500 rented properties and 2,900 leasehold properties. The income and expenditure relating to these properties, including rent rebates, is accounted for separately from the council's other services and activities which form part of the council's General Fund.

2 RECOMMENDATIONS:

That the Housing Committee approves:

2.1 That a rent increase of up to 2.7% in line with government legislation as detailed in paragraph 4.11 of the report be approved;

2.2 That service charges and fees as detailed in Appendix 3 to the report be approved;

2.3 That the contribution to Youth Services from the HRA will continue with the addition of inflation at a total cost of £0.255m in 2020/21 be noted;

2.4 That the proposal to set up a capital reserve of £2.900m for use in 2021/22 as discussed in paragraph 4.9 of the report be noted;

2.5 That the proposal to set up a new Rent Reduction Reserve for £1.010m (see paragraph 4.10 of the report) be noted;

2.6 That the current HRA forecast outturn for 2019/20 in Appendix 1 to the report of £0.200m underspend be noted; and

2.7 That the Medium-Term Financial Strategy and 30-year financial projections shown in Appendix 5 to the report be noted; and

That Housing Committee approves and recommends to Policy & Resources Committee:

2.8 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be agreed and recommended to full Council for approval;

2.9 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and notes the 3-year programme as set out in Appendix 4 to the report and recommended to full Council for approval; and

2.10 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

That Full Council:

2.11 That the updated HRA Revenue Budget for 2020/21 as shown in Appendix 2 to the report be approved;

2.12 That the Capital Programme Budget of £40.120m for 2020/21 be agreed and the 3-year programme as set out in Appendix 4 to the report be noted; and

2.13 That for 2019/20, any new revenue costs (estimated at £0.080m) arising from the increased support for delivery of housing supply, should be met from HRA general reserves.

3 HRA BUDGET STRATEGY

3.1 The HRA Budget aims to balance the priorities of both the council and council housing residents within the context of the council's Housing Strategy, HRA Asset Management Strategy and the Housing Committee's priorities and work plan 2019-23 which sets out the overall direction for Housing in the city over a 4-year period.

3.2 The Budget Strategy also reflects the council's decisions for the future delivery of customer service; quality assurance, responsive repairs and empty property refurbishments, planned maintenance and improvement programmes, and major capital projects to council housing stock following the expiry of the current contractual arrangements in March 2020.

Housing Committee Priorities and Work Plan – 2019-23

3.3 The priorities and work plan for the Housing Committee and Housing service for the next four years was agreed in September 2019 in order to inform future reporting to Committee on: key areas of officer focus and delivery; budget strategy, asset review, investment plans and resource allocation; resident engagement and formal consultation; engagement and consultation with partners and key stakeholders. Key elements of the Work Plan in relation to the Housing Revenue Account Budget & Capital Investment Programme 2020/21 include:

Providing additional affordable Homes

- Develop 800 additional council homes.
- Review the rent policy to maximise the number of council homes replaced at social or living wage rents
- Develop the existing Hidden Homes strategy.

Achieving carbon reductions and sustainability in housing including addressing fuel poverty

- Develop an action plan to set out how we will work collaboratively to ensure housing contributes to making the city carbon neutral by 2030.
- Develop a new photo voltaic (PV) and energy efficiency strategy for council homes to include standards for new homes.

Improving council housing and community involvement

- Work with tenants to develop a ‘decent environment’ standard
- Develop a fire safety programme in conjunction with tenants and residents

3.4 The Housing Strategy priorities included in developing the HRA Revenue Budget and Capital Programme are:

Priority 1: Improving Housing Supply

Respond to the opportunities to increase housing supply following the lifting of the HRA borrowing cap, including additional resources agreed towards an enhanced cross-directorate housing delivery team to drive projects forward and deliver 800 additional council homes within 4 years, including:

- Continue the ‘New Homes for Neighbourhoods’ programme. The programme has been successful and since summer 2015 has completed 184 new council homes in 12 projects. It has sites currently identified for a total of around 570 homes.
- Maintain and enhance our Hidden Homes programme to refurbish and convert under used or unused spaces within existing council stock into new homes. Nine new homes have been delivered to date, with a further 11 due to be delivered in 2019/20 - five on the Bristol Estate, three at Swallow Court, two at Elwyn Jones Court and one at Woods House. Planning permission has also been granted for a further three homes at Manor Road, Whitehawk. A pipeline of potential sites has been developed to deliver approximately 30 units until 2023.

- Continue to create a supply of council owned temporary accommodation allowing the council to achieve savings against the costs of procuring more expensive accommodation from the private market either through existing frameworks or spot purchase. The conversion of Stonehurst Court provided ten family units this summer with 12 additional units to be provided at the former Oxford Street Housing Office. The property purchase and refurbishment at Tilbury Place has also created 15 new units of temporary accommodation. New opportunities continue to be assessed to increase the provision of council owned temporary and emergency accommodation.
- Continuation of the Home Purchase Policy buy back scheme which has so far allowed the council to buy 43 properties with a further 15 going through the sales process, and other applications being assessed. This report proposes a budget of £15.612m for 2020/21 for this purpose which will, if approved, provide for the purchase of approximately 65 more properties during 2020/21. Housing & New Homes Committee agreed to the expansion of the scheme in September 2018 allowing the council the option to look at purchasing affordable housing units supplied as part of new housing developments in the city (typically known as S106 sites), and the council will continue to look at these opportunities. Housing Committee in September 2019 agreed an additional HRA budget for the scheme for 19/20 and recommended to P&R Committee to increase the Scheme of Delegations limit to £0.500m to enable a considerable increase in the scope of the scheme.
- Commission new, adapted homes and ensure best use of existing adapted / accessible housing in order to promote independent living, which has been demonstrated to deliver significant cost benefits.
- Support households wanting to downsize to increase the supply of available family housing.

Priority 2: Improving Housing Quality

- Continue to meet the council's landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents.
- In line with the new arrangements for the delivery of repairs from 2020, a Stock Condition Survey of housing stock has been commissioned and is currently being carried out. This will allow the council to review and plan for future investment in the quality of its homes, including addressing issues that may not have been picked up under existing investment / programme plans. The council will undertake a rolling 20% of surveys each year over the next five years to ensure all the council housing stock is surveyed.
- Continue to respond to emerging guidance around building safety standards and Government guidance and any regulatory and / or legislative changes emerging following the Grenfell Tower tragedy.
- To work in consultation with tenants and leaseholders to agree planned and major works programmes based on updated information on our stock for the provision of planned maintenance, improvement programmes and major capital projects.

- Continue to promote the highest possible building, space and environmental standards in all new council homes being built to high sustainability levels.
- Continue to improve council housing sustainability standards and maintain 100% achievement of the council's housing stock meeting the Decent Homes Standard and invest in other priorities that promote the health and wellbeing of residents.
- Continue to review the energy efficiency performance of the council's housing stock, and the approaches for future improvement and support for initiatives to reduce fuel poverty.
- Deliver improvements to the council's seniors housing schemes in line with the Seniors Housing Review recommendations agreed at Housing Committee on 13 November 2019. Ensure that the right investment plans are in place to maintain and improve homes and make sure that they meet resident requirements into the future.
- Support early actions to improve public areas of the council's housing estates through the environmental improvements budget to enable the council to respond with greater speed to issues impacting upon tenants' satisfaction levels with their neighbourhood as a place to live.

Priority 3: Improving Housing Support

- Ensure that as services are reviewed, they are accessible and safe for all.
- Improve front facing customer services at Council Housing Offices.
- Continued investment in specialist tenancy management and support services to support vulnerable council housing residents and work with Community Safety to resolve housing issues and harassment in a timely manner.
- Early intervention for families struggling with accommodation including money advice and tenancy support.
- Ensure that adaptations are carried out at the right time to support people to stay in their homes when they want to.
- Support people to 'downsize' when they choose and provide a range of options for them, including accessible tools to support decision making.
- Better links between seniors housing schemes and surrounding communities.
- Ensure new housing development includes community spaces, where need is identified and resources allow.

HRA Asset Management Strategy

3.5 The HRA Asset Management Strategy acts as a link between Housing Strategy priorities and investment programmes. In 2016 the HRA Asset Management Strategy was agreed following extensive consultation and work with residents with an Asset Strategy Review reported to Housing & New Homes Committee on 20 September 2017 following the Grenfell Tower tragedy. A further update on Health & Safety was reported to Housing Committee on 13 November 2019.

3.6 The key priority objectives of the strategy are to:

- Invest in homes and neighbourhoods to provide safe, good quality housing and support services;
- Support new housing supply;
- Ensure financial viability within the Tenancy Strategy.

3.7 The proposed Capital Investment Programme shown in Appendix 4 supports all of these objectives as discussed in Section 5 below.

4 HRA REVENUE BUDGET PROPOSALS 2020/21

4.1 The HRA is a ring-fenced account which covers the management and maintenance of council owned housing stock. This must be in balance, meaning that the authority must show in its financial planning that HRA income meets expenditure and that the HRA is consequently viable.

4.2 Although the HRA is not subject to the same funding constraints as the General Fund it still follows the principles of value for money and equally seeks to improve efficiency and achieve cost economies wherever possible. Benchmarking of both service quality and cost with comparator organisations is used to identify opportunities for better efficiency and service delivery.

4.3 The forecast spend for the HRA in 2019/20 is shown in Appendix 1. As noted in paragraph 7.3 of the Housing Supply Update 2019-2023 report to 18 September 2019 Housing Committee, additional costs in 2019/20 were anticipated in order to support new housing supply activity. This is in addition to full-year costs which have been recognised in the 2020/21 budget proposals in this report. The September report estimated costs of £0.100m and recommended these be met from reserves, which are currently above the minimum level required so could support these costs. Since the September committee the costs falling in 2019/20 have been revised and are estimated at £0.080m. The committee are asked to recommend that Policy & Resources Committee agree that this is met from HRA reserves.

4.4 The proposed HRA budget for 2020/21 is shown in Appendix 2 with the main budget variations, areas for investment and other changes in resources.

4.5 The budget proposes the continuation of the funding for youth services to support ongoing work across council housing estates at £0.255m, including an allowance for inflation.

4.6 The budget also provides funding of £1.567m for the following new priority areas for investment. (Detailed in Appendix 2, note 3):

- A one-year investment of £0.142m to supplement the £0.250m that was put in place for the repairs programme to pay for the continuation of programme management resources associated with the set up, mobilisation and delivery of the new repairs and maintenance services. This will include delivery of support for the transfer of staff to the council, delivering improvements to the service in line with the objectives set with stakeholders in 2018 and further changes to the service including the procurement and implementation of works management systems for the in-house repairs service. Note that the £0.250m programme budget was originally added to the budget for 2018/19 and 2019/20 only, so this will be required for a further year to manage this large, complex change in this service;

- An increase in revenue resources of £0.252m to fund the staff required to support the delivery of 800 additional council homes in the city by April 2023. The need for this resource was agreed at Housing Committee in September 2019 as part of the Housing Supply Update Report;
- New revenue resources of £0.210m to increase the level of contribution to the bad debt provision. The level of arrears of current tenants has increased substantially during 2019/20, a high proportion of which is due to welfare reform changes around Universal Credit. This is highlighted further in the quarterly performance report to Housing Committee.
- An increase in revenue resources of £0.036m to create a welfare rights post, working with the council's Welfare Rights Team for the benefit of council tenants specifically to support them with changes around Universal Credit and other welfare benefits and to improve rent collection in the HRA;
- New revenue resources of £0.150m for the extra costs of decorating and carpeting senior homes when re-let, identified as part of our Seniors Housing Review, in order to attract more mutual exchanges and reduce empty property turnaround times. A further investment of £0.065m is also proposed to improve the security around some of the city centre estates which have become the target of anti-social behaviour and a further £0.032m is proposed to fund the council tax arising from seniors housing remaining empty for longer periods of time due to some seniors schemes becoming more difficult to let. We will continue to monitor the impact of this extra investment on measures to improve empty property turnaround times and the overall quality of seniors housing as part of our Seniors Housing Review;
- A sum of £0.630m to be set aside to allow all customer service, quality assurance and responsive repairs staff transferring from our existing provider under TUPE arrangements to become members of the Local Government Pension Scheme (LGPS). This sum may reduce in-year, depending on the level of take up; and
- Investment of £0.050m in the grounds maintenance service to enhance this service to residents. Service charges in 2020/21 will not reflect this cost increase but these will be reviewed as part of the budget setting process for 2021/22, once the new service is operating across the city.

4.7 The 2020/21 budget also provides for a range of other inflationary costs, pressures and income. These changes in resources are listed under 'Other Changes' in Appendix 2 and are described in Note 4. This year sees many variations due to the changes to the repairs and maintenance service and the council's decision to bring the responsive repairs and empty properties service and the repairs customer service contact centre in-house. The revenue budgets for repairs formerly consisted of payments to the contractor (Mears) shown under the 'premises – repairs' heading in Appendix 2. However, for 2020/21, new budgets have been created for the new in-house employees, materials, and vehicle costs as well as extra support service costs to the HRA to reflect the increased number of staff directly employed by the council. Any cost over and above the current budget resource is reflected as a service pressure. An

element of contingency has also been included to allow for any additional or as yet unidentified costs arising from such a fundamental change to the service.

4.8 The budget proposals include an increase in leaseholder service charge income of £1.516m. This reflects the volume of work that will be billed in 2020/21 following a full review of the works forecast to be completed by March 2020 at the end of the current contract for Repairs & Improvement. A number of significant projects will complete this financial year and the associated service charges will be billed to leaseholders in September 2020.

4.9 The net revenue budget results in an initial surplus of £23.716m which is then used to provide 'Direct Revenue Funding' (shown within expenditure at Appendix 2) in support of the capital programme. This year's capital programme has been reduced slightly, discussed in section 5 below, to reflect the significant changes being made to the current contractual arrangements for planned and major works to council dwellings and the mobilisation of a number of new contracts which will take time to build up to full delivery. Therefore, this budget includes a proposal to set aside £2.900m in a new capital reserve which will be used in 2021/22 to 'catch up' on improving the council stock.

4.10 The budget also proposes a new earmarked reserve of £1.010m to be used to reduce rent levels for homes purchased through the Homes Purchase Policy to either social rents (5 properties) or the 27.5% living wage rent.

4.11 Social rents for council homes are calculated in accordance with government guidelines. Rent restructuring rules still apply and Target Rents for each property are calculated based on the relative property values, bedroom size and local earnings. Target Rents will apply to the granting of all new tenancies. The MHCLG has announced an increase to social housing rents limited to the September Consumer Price Index (CPI) plus 1% for 5 years from 2020/21 The CPI at September 2019 is 1.7% and therefore this budget proposes rent increases of 2.7%. Prior to this, tenants have seen a 1% reduction in their rent each year for the last 4 years. This means that for 2020/21, the average rent will increase from £84.09 to £86.36, an average rent increase of £2.27 per week. This is identified in Appendix 2 (note 4).

4.12 Rents are not calculated to take into account any service charges and only include charges associated with the occupation of a dwelling, such as maintenance of the building and general housing management services. Service charges are therefore calculated to reflect additional services which may not be provided to every tenant or which may be connected with communal facilities rather than to a particular occupation of a house or flat. Different tenants may receive different types of services reflecting their housing circumstances. All current service charges are reviewed annually to ensure full cost recovery and also to identify any service efficiencies which can be offset against inflationary increases, to keep increases to a minimum. The proposed fees and service charges for 2020/21 are set out in Appendix 3.

4.13 For 2020/21, most service charge increases are below or close to the current levels of inflation with the exception of the electricity charges. Unfortunately, the unit prices for electricity are set to rise significantly for the second half of 2019/20 and 2020/21. On average, tenants will see an increase of 7% for communal electricity service charges and 7.6% for electrical eating charges.

However, the council continues to replace light bulbs in communal areas with low energy LED bulbs and fit automatic lighting where suitable and this is helping to mitigate costs by reducing the level of consumption. Electricity prices are expected to continue rising at approximately 5% annually for the foreseeable future. Appendix 3 shows the estimated average service charge paid per week for each service and the average increase.

4.14 The projected level of HRA reserves at 1st April 2020 and 31 March 2021 are shown in Appendix 2 (note 5). A minimum reserve of £3.000m is recommended to meet general legal and financial risks including higher than expected inflationary pressures, cost overruns, legal challenges and other contingencies. After taking this into account, current estimates mean that the level of usable reserves will be £2.513m at 31 March 2020. This is being held at this level in addition to the minimum reserve to allow for the following uncertainties:

- Levels of investment that may be required as a result of the outcome of the Grenfell fire Inquiry and the recommendations of the "Building a Safer Future" programme delivered by Ministry of Housing, Communities and Local Government (MHCLG) to improve safety and minimise the risk of fire in high rise buildings. The capital programme already includes £1.200m for new fire doors and £1.400m for sprinklers;
- The report to Housing & New Homes Committee in September 2018 on the future delivery of repairs and maintenance services identified a number of legal and financial risk areas, in particular around the set-up and TUPE costs of the new in-house repairs service;
- There are general risks around the stock condition which could give rise to a short term financial impact. Future changes to the Decent Homes Standard as set by the Ministry of Housing, Communities & Local Government may impact on the required investment levels in order to maintain 100% compliance with the standard.

The council's Section 151 Chief Finance Officer has reviewed the level of reserves and provisions in accordance with the principles of Section 25 of the Local Government Act 2003 and considers them to adequate and reasonable for their purpose.

5 HRA CAPITAL PROGRAMME 2020/21

5.1 The Housing Capital Programme seeks to provide substantial investment in the council's housing stock and improve the quality of homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and has been informed by the priorities agreed in the HRA Asset Management Strategy and the Asset Strategy Review report to Housing & New Homes Committee 20 September 2017. The Programme also reflects the end of the current Mears contract in March 2020 and arrangements being put in place to reflect recommendations agreed at Committee around the future delivery of planned maintenance and improvement programmes and major capital projects to council housing stock.

5.2 This report recommends that for 2020/21, a budget of £19.986m is approved for investment in existing housing stock and a further £20.134m for the new supply of affordable housing. The proposed budget for investment in existing

housing stock is lower than last year's budget for a number of reasons: Firstly, the capital programme included a contractual sum of £1.500m, split over all the capital schemes, for 'establishment costs' of overheads and contract management by Mears. As the service is now being reorganised and most of this work will now be carried out in-house, this budget has been moved to the revenue repairs budget. Secondly, as mentioned below, the Estate Development Budget (EDB) of £0.180m and £0.200m of the Environmental Improvement Budget have now been included as revenue budgets, reducing the capital programme. The planned programme for the next three years is being finalised over the coming months to reflect the investment required in the stock informed by a recently commissioned Stock Condition Survey. The mobilisation of a number of new repairs contractors during 2020/21 means that there will be a reduced capital spend in 2020/21 and a higher total of £26.734m in 2021/22. Therefore the budget includes proposals to include a capital 'catch up' reserve of £2.900m to be used in 2021/22 to ensure the continued programme of improvements for council homes.

5.3 The total proposed programme for 2020/21 and the funding arrangements totalling £58.002m are shown in Appendix 4. This programme includes budget of £17.883m that has already been approved, for example, where individual scheme approval has been sought for new build schemes or where budgets for existing schemes have been reprofiled, as approved by Policy & Resources Committee.

5.4 The 2020/21 programme continues to prioritise the council's landlord obligations with regards to health and safety, including continuing to review and enhance fire safety measures for residents and those visiting or working on council homes. This is a key responsibility and, as such, through the capital programme proposals, it is ensured that the investment required is maintained and made available ahead of other investment decisions. This includes good practice procedures and resources to support the management of asbestos, fire risk, legionella, gas and electrical equipment, amongst others. This budget continues to support funding for enhanced works to reduce fire risk, in particular support for the proposed projects to install sprinklers in high rise blocks (subject to consultation with residents), as set out in previous committee reports.

5.5 The Capital Programme is a key part of implementing the main aims of the long-term asset management approach, which aims to maximise investment in homes and support reductions in responsive repairs need whilst providing safe, good quality housing and support services, and also supporting new housing supply and financial viability for the HRA. Other assets, such as car parks and garages, receive investment to ensure both health and safety compliance and best use of these assets.

5.6 The Estates Development Budget (EDB) is no longer part of the HRA capital programme. Examination of expenditure over a number of years indicates that most expenditure has been of a revenue nature and therefore this year the revenue budget includes £0.247m for EDB within the employee and supplies & services headings as this service will transfer in-house from Mears. This budget adjustment is shown in Appendix 2 (note 4). The current budget strategy uses EDB reserves to support this over a further 2 years, augmenting this budget to

a total of £0.354m for 2020/21 and £0.282m for 2021/22. A reserves table is shown in Appendix 2 (note 5).

5.7 The approved capital programme for 2019/20 included new investment in environmental improvements around estates of £0.400m. A total budget of £0.500m was approved for this work, £0.400m in the capital programme and £0.100m in revenue. This level of investment continues in the proposals for 2020/21, however, this budget proposes that £0.200m is included in the capital programme and £0.300m in the revenue budget, given the nature of spend to date.

5.8 The Housing Fire Health & Safety Update report to Housing & New Homes Committee on 19 September 2018 updated members on our continued joint work with East Sussex Fire & Rescue Service (ESFRS) in response to housing fire health & safety matters arising following the Grenfell Tower tragedy. In particular, concerning fire doors. In light of this, the programme also includes a provisional sum of £1.200m in 2020/21 and 2021/22 for potential additional works arising from the government's review of the Grenfell fire tragedy. This is supported by the delivery of a new contract for the replacement of doors.

5.9 The Capital Programme targets investments that will ensure that the HRA maintains and improves, where possible, the quality of housing. The programme will support the delivery of the following commitments:

- To maintain 100% achievement of properties meeting the government's Decent Homes Standard and the local Brighton & Hove Standard over the medium term.
- To ensure that all homes are as suitable as practicable for the needs of their occupants, in line with council policy. For example, there is a substantial investment commitment to providing adaptations and to reducing overcrowding in the programme.
- To ensure homes are energy efficient and that we continue to improve the energy performance of our housing stock, including through modern heating systems to reduce carbon emissions and resident's fuel costs. Housing Committee will be discussing a proposal for a ground source heat pump at Elwyn Jones Court which is estimated to pay for itself within 8 years, enhance thermal comfort for residents and reduce the city's carbon footprint.
- To continue working closely with residents to help increase levels of resident satisfaction with the quality of their home and neighbourhood and to support proactive investment in and maintenance of our council housing stock to enable a preventative approach that allows for the ongoing reduction in the level of responsive repair need.

5.10 Additionally, based on feedback from residents on their priorities, the programme continues the commitment to invest in external and common way repairs and decorations across the city and the modernisation of passenger lifts serving blocks of flats, subject to resident consultation and analysis of information to establish if replacement works are necessary. This programme has been very effective in helping many residents to be able to rely on their lifts to be safe and reliable. All lift project proposals are continually evaluated on a case-by-case basis to ensure value for money continues to be delivered

through this programme. A range of approaches are undertaken to ensure best value including replacement and part modernisation to ensure the reliable operation of lifts across the city.

5.11 Helping residents to live in well-insulated, efficiently heated, healthy homes remains a key long-term commitment, which is supported through the capital programme. Past progress on achieving this has been consistently good, with national Standard Assessment Procedure (SAP) energy rating performance monitoring being used to benchmark these. Key investments that contribute to these include installing high efficiency boilers, heating controls, efficient doors, windows, insulation and renewable or community energy schemes, where appropriate. In line with the Housing Committee Work Plan, we will work collaboratively to ensure housing contributes to making the city carbon neutral by 2030. This includes developing a new solar PV and energy efficiency strategy for council homes. This budget proposes to invest £0.100m in solar (PV) panels in 2020/21 with a commitment to bringing a detailed report to Housing Committee for discussion in June 2020 which will include a full Equalities Impact Assessment and options for funding with the aim of introducing a programme of works for 2021/22 and 2022/23.

5.12 As outlined above, the Housing Asset Management Strategy acts as a link between the Housing Strategy and Investment Programmes including a priority of supporting new housing supply. The service will continue to focus on the key Housing Strategy priorities to increase the numbers and make best use of affordable homes, including the following HRA related measures:

- Housing Allocation Policy framework ensuring best use of existing council and Registered Provider resources through nomination of affordable housing to priority households.
- The 'New Homes for Neighbourhoods' estate regeneration programme to deliver additional council homes in the city.
- Improving supply of additional council homes through best use of existing HRA assets including the conversions / Hidden Homes programme.
- Development and delivery of more council owned Temporary Accommodation.
- The recently approved and amended HRA Home Purchase Policy to further support the delivery of additional council homes including a budget of £15.612m to purchase approximately 65 homes during 2020/21 (depending on size and condition) and a commitment to continue at this level during 2021/22 subject to funding being available. Sourcing 65 homes that represent good value for money as well as meeting housing need will be a challenge and therefore, if there is any underspend on this budget for 2020/21, this can be re-profiled for use in 2021/22.
- The proposal to set up a new housing delivery team to accelerate the supply of affordable housing in the city as agreed at Housing Committee and outlined in paragraph 4.6.

6 HRA MEDIUM TERM & 30 YEAR FINANCIAL FORECASTS

6.1 The introduction of self-financing in 2012 provided additional resources from the retention of all rental income and, through greater control locally, enabled

longer term planning to improve the management and maintenance of council homes.

6.2 The medium term and 30 year financial forecasts are provided in Appendix 5 along with the business planning assumptions used for income and expenditure.

6.3 Since the Government removed the restrictions on borrowing in the HRA in October 2018, the council has developed plans to build and purchase additional council homes in the City. The current plans to deliver 800 additional council homes in the city by April 2023 have been incorporated in the capital programme 2020/21 – 2022/23 as well as the 30 Year business plan.

6.4 Essentially, the financial plan shows that the HRA has healthy financial indicators to borrow to source future funding for regeneration and development. However, any borrowing must remain affordable. This means that each scheme should be funded either from the new rental stream (net of any management and maintenance costs) or from current tenants' rents, rent rebates (Housing Benefits) and service charges. The current 30 year forecast assumes £179.877m for building and purchasing of new homes in the next five years to 2024/25.

6.5 Revenue reserves have been maintained in the business plan at £5.513m for the time being but this will be revised annually.

6.6 The MHCLG has announced an increase to social housing rents limited to the Consumer Price Index (CPI) plus 1% for 5 years from 2020/21. Therefore, the 30 year business plan shown at Appendix 5 assumes rent increases of CPI plus 1% for 5 years from 2020/21 and increases at CPI thereafter. Assuming other factors remain stable, this will help to sustain the HRA in the medium term.

6.7 Alternative options and delivery mechanisms for new build and regeneration funding outside the HRA are still being developed in the form of a wholly owned company and the Joint Venture with Hyde Housing Association as agreed by Policy, Resources & Growth Committee alongside a review of priorities included in the financial plan.

6.8 There are still some uncertainties which may have a significant impact on the long term health of the financial plan, such as:

- The Welfare Reform and Work Act 2016 continues to be implemented with the reduction of the benefit cap to £20,000 per annum during 2016/17, the single room rates extended to people under 35, the roll out of Universal Credit in 2017 and the reduction in tax credits implemented from October 2017. These reforms are expected to affect many tenants' ability to pay their rent and current arrears have risen significantly in 2019/20 which is why this budget proposes to increase the contribution to the bad debt provision by £0.210m. However, it continues to be difficult to accurately predict to what extent this will impact on HRA resources longer term. The budget also proposes an extra member of staff to undertake proactive work with tenants to support them with welfare advice to help reduce rent arrears.

- Uncertainty of future rent policy. Even though there has been an announcement to allow increases in rents of CPI plus 1% for five years, any future rent policy may reduce or freeze rent increases.
- Any additional investment requirements arising from any legislative or regulatory changes following post Grenfell Tower tragedy reviews and the MHCLG review of the Decent Homes Standard.
- The introduction of an in-house responsive repairs and empty property refurbishment service. The current budget for 2020/21 has built in some contingencies and one-off resources to assist with the new contractual arrangements and the mobilisation of this service. However, there continue to be some uncertainties around certain costs such as TUPE costs and ICT costs and therefore general reserves are being retained at a high level.

6.9 The 30 year financial plan will continue to be updated in 2020/21 to reflect the 2020/21 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes, and also how the housing debt could be structured to accommodate these plans or possibilities.

7 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

7.1 The budget process allows all parties to engage in the scrutiny of budget proposals and put forward viable alternative budget proposals to Budget Council on 27 February 2020. Budget Council has the opportunity to debate both the proposals recommended by Policy & Resources Committee at the same time as any viable alternative proposals.

The government annually sets a limit rent, set to include CPI plus 1% increase, which is used to determine how much housing benefit subsidy is received from the Department for Work and Pensions. Rises above the limit rent would reduce the amount of subsidy receivable by the council.

8 COMMUNITY ENGAGEMENT & CONSULTATION

8.1 The HRA budget task and finish group, made up of the Chair and opposition spokespersons of the Housing Committee, residents from Service Improvement Groups and officers, met last year to work up future budget consultation arrangements. The group decided that, to inform the 2020/21 budget, a range of residents' views would be gathered on areas including energy efficiency, social isolation, support for vulnerable tenants, maintaining older stock, increasing social housing provision, and the appearance of estates. Some of these items are currently under consultation with residents and some are in progress with proposals included in this budget report.

8.2 There has been considerable consultation with residents (tenants and leaseholders) that have informed budget decisions. For example, there was recent detailed consultation regarding the insourcing of repairs and maintenance. This forms a significant part of the budget, and the consultation put residents very much at the heart of the council's deliberations in a quest to deliver improved services. There has also previously been consultations with residents on the council's asset management strategy, which will be repeated in the next year or so. A statistically representative sample of tenants also took part in the Survey of Tenants and Residents (STAR survey), which identified a reduction in the levels of satisfaction with communal areas. More recently

residents have also been consulted on their priority areas for improving the public areas of estates. The results informed the budget priorities for the current year, and will continue for the next two years.

9 CONCLUSION

9.1 The Local Government and Housing Act 1989 requires each local authority to formulate proposals relating to income from rent and charges, expenditure on repairs, maintenance, supervision and management, capital expenditure and any other prescribed matters in respect of the HRA. In formulating these proposals using best estimates and assumptions, the Authority must set a balanced account. This budget report provides a capital programme, break-even revenue budget and recommends rent proposals in line with current government guidance.

9.2 This report also provides the latest medium and long term forecasts for the HRA. However there are a number of uncertainties due to impending government legislation, which mean that the current forecasts should be treated with caution.

10 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

10.1 The financial implications are contained within the main body of the report.

Finance Officer Consulted: Monica Brooks Date: 6th January 2020

Legal Implications:

10.2 In its landlord role, the council has contractual obligations to its tenants and leaseholders to maintain the structure of its housing stock. These obligations are complemented by statutory duties in the Landlord and Tenant Act 1985 as amended. The council must comply with other statutory regimes, including those relating to health and safety, legionella and fire safety. It is likely that further statutory requirements will be imposed if the Building Safety Bill and Fire Safety Bill announced in the recent Queen's Speech are enacted. The measures outlined in the report will assist the council in discharging those duties.

The Housing and Local Government Act 1989 regulates the HRA. The requirement in the Act to set a balanced budget is referenced in sections 4.1 and 9.1 of the report.

Lawyer Consulted: Liz Woodley Date: 31/12/19

Equalities Implications:

10.3 The HRA budget funds services to people with a range of needs including related to age, vulnerability or health. All capital programme projects undertaken include full consideration of various equality issues and specifically the implications of the Equality Act. To ensure that the equality impact of budget proposals are fully considered as part of the decision making process,

equality impact assessments have been developed on specific areas where required.

Sustainability Implications:

10.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment. This capital programme supports the affordable warmth and fuel poverty strategy brought forward from Public Health. Housing is a key contributor to the Carbon Emissions reduction commitment and will help to reduce the number of residents affected by fuel poverty and rising energy costs.

10.5 Project briefs are issued on all capital projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

Any other Significant Implications:

10.6 Financial risks have been assessed throughout the development of the council's HRA annual budget and 30 year financial model. A number of key sensitivities and scenarios are modelled to ensure that the service understands the business impact of decision making and include areas such as:

- Impacts of the government's Housing & Planning Act and Welfare Reform legislation;
- Potential impact of any post Grenfell tragedy review of building regulations and / or standards;
- Inflationary risk where expenditure inflation is greater than income, particularly the risks around build cost inflation and future governments social rent policy ;
- Managing interest rate fluctuations and the debt portfolio;
- Long term capital and maintenance responsibilities compared with available resources;
- Balancing regeneration and redevelopment needs with tenants' priorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Appendix 1: HRA Revenue Forecast Outturn 2019/20 (Month 7)
2. Appendix 2: HRA Budget 2020/21
3. Appendix 3: Fees and Service Charges 2020/21
4. Appendix 4: Capital Programme and Funding 2020/21 – 2022/23
5. Appendix 5: HRA Medium Term Financial Strategy & 30 Year Financial Forecast

Documents in Members' Rooms

None

Background Documents

None

Appendix 1 – Forecast Outturn 2019/20 at Month 7

	2019-20 Forecast Outturn £'000
SUBJECTIVE ANALYSIS	
Expenditure	
Employees	9,568
Premises - Repairs	9,537
Premises - Other	2,617
Transport	101
Contribution to Bad Debt Provision	344
Supplies & Services	1,816
Support Services	3,649
Third Party Payments	182
Direct Revenue Funding	25,080
Capital Financing Costs	5,999
Total Expenditure	**58,893**
Income	
Rents Dwellings	(50,925)
Rents Car Parking / Garages	(995)
Commercial Rents	(530)
Service Charges	(6,318)
Other Recharges & Income	(325)
Total Income	**(59,093)**
DEFICIT / (SURPLUS)	**(200)**
OBJECTIVE ANALYSIS	
Housing Management & Support	4,291
Income, Inclusion & Improvement	(46,823)
Tenancy Services	2,262
Property & Investment	8,769
Head of Regeneration	286
Capital Financing	31,015
DEFICIT / (SURPLUS)	**(200)**

HRA Forecast Outturn as at Month 7 KEY VARIANCES	**£'000**
A lower than expected level of leasehold service charge for 2019/20 is expected. Due to some projects taking longer to complete a lower level of work has been billed for in 2019/20, the remainder is forecast for billing in 2020/21.	800
Net overspend on premises and supplies and services across the HRA.	120
Rental income is higher than budget assumptions. Also reduced level of rent lost through voids.	(610)
Lower interest charges as a result of significant re-profiling of HRA capital expenditure from 2018/19 into 2019/20 impacting on the timing of when borrowing is required.	(320)
Current underspend on Transfer Incentive Scheme due to the complexities of cases coming forward.	(100)
Net underspend of employee costs as a result of an increase in capitalisation of costs and staff vacancies	(90)
TBM Month 7 Variance	**(200)**

Appendix 2 – HRA Revenue Budget 2020/21

	2019-20	Budget Changes				2020-21
	Adjusted budget	Inflation	Savings	Investment & Re-investments	Other Changes	Original Budget
Note		**1**	**2**	**3**	**4**	
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
SUBJECTIVE ANALYSIS						
Expenditure						
Employees (data a)	9,738	205	0	925	4,783	15,651
Premises - Repairs	9,526	180	0	150	(5,263)	4,593
Premises - Other	2,643	53	0	82	(30)	2,748
Transport	118	1	0	0	852	971
Contribution to Bad Debt Provision	367	4	0	210	(22)	559
Supplies & Services	1,839	12	0	65	1,457	3,373
Support Services (data b)	3,522	68	0	135	420	4,145
Third Party Payments	124	2	0	0	20	146
Direct Revenue Funding	25,083	0	0	0	(1,367)	23,716
Capital Financing Costs	6,255	0	0	0	2	6,257
Total Expenditure	**59,215**	**525**	**0**	**1,567**	**852**	**62,159**
Income						
Rents Dwellings	(50,397)	(1,343)	0	0	24	(51,716)
Rents Car Parking / Garages	(934)	(19)	0	0	0	(953)
Commercial Rents	(530)	(70)	0	0	0	(600)
Service Charges	(7,099)	0	0	0	(1,534)	(8,633)
Other Recharges & Income	(255)	(2)	0	0	0	(257)
Total Income	**(59,215)**	**(1,434)**	**0**	**0**	**(1,510)**	**(62,159)**
DEFICIT / (SURPLUS)	**0**	**(909)**	**0**	**1,567**	**(658)**	**(0)**
OBJECTIVE ANALYSIS						
Housing Management & Support	4,521	81	0	0	(407)	4,195
Income, Inclusion & Improvement	(46,303)	(1,208)	0	210	357	(46,944)
Tenancy Services	2,162	49	0	183	190	2,584
Property & Investment	7,969	163	0	1,128	589	9,849
Head of Regeneration	291	6	0	46	(0)	343
Capital Financing	31,360	0	0	0	(1,387)	29,973
DEFICIT / (SURPLUS)	**0**	**(909)**	**0**	**1,567**	**(658)**	**(0)**

Appendix 2 – HRA Revenue Budget 2020/21

Note 1 Inflation:

Inflation of 2% has been applied to Direct Employees, and 1% to Premises, Transport and Supplies & Services. Adjustments are made to specific areas based on known inflation above or below the standard 1% applied. Most income budgets are zero-based (that is they are recalculated each year rather than changing incrementally) and therefore budgets are estimated based on known increases in costs or inflation.

Note 2 Savings:

There are no savings in the budget for 2020/21 due to the nature of the new repairs service and the level of uncertainty over costs.

Note 3 Service Pressures and Priority Areas for Investment:

	£'000
One year only staff resources required for the continued set up and mobilisation of new repairs service	142
Increase in staff resources to support the delivery of new housing supply	117
Increase in Support Services for the delivery of new housing supply	135
Increase in contribution to bad debt provision	210
Additional post required for Welfare services	36
Continue to replace carpets and decorate seniors housing properties when empty to improve lettings.	150
Increase in security around estates to reduce anti-social behaviour	65
Increase in costs of council tax to cover the void periods for Seniors Housing	32
Offer of membership of the Local Government Pension Scheme for all staff transferring from Mears	630
Grounds Maintenance - review of service provision	50
Total Service Pressures and priority areas for investment	**1,568**

Appendix 2 – HRA Revenue Budget 2020/21

Note 4 Other Changes:

Other Changes	£'000
Additional employee costs most of which is as a result of the new in-house repairs service	4783
Reduction in repairs contract costs as a result of the new in-house service	(5263)
Costs of new vehicle fleet for in-house service	852
Costs of materials budgets and general office costs for the new in-house service	1457
Support service costs as a result of new in-house repairs team	420
Change to Direct Revenue Funding	(1367)
More service charges from Leaseholders due to lower billing in 2019/20	(1516)
Net decrease in rental income from 53 week rents in 2019/20 net of sales, disposals and new home rents.	24
Other	(48)
Total Other Changes	**(658)**

Note 5 Projected Reserves:

Description	Balance at 1 April 2019 £'000	Projected Balance at 1st April 2020 £'000	Projected Balance at 31 March 2021 £'000	Use
Revenue Reserves - Working Balance	3,000	3,000	3,000	Minimum working balance requirement
Useable revenue reserves	4,503	2,513	2,513	Available for use
Rent Support Reserve	1,050	1,050	-	Earmarked reserve to reduce rent charges for new properties purchased.
New Rent Support Reserve		1,010	-	New Earmarked reserve to reduce rent charges for new properties purchased.
Capital reserve for use in 2021/22	0	3,000	3,000	Reserved for capital expenditure 2021/22
Mobilisation and set-up costs of new in-house service for repairs	982	482	-	Mobilisation and set up costs 2020/21
EDB reserves	312	142	35	Earmarked allocation for EDB
Restructure Redundancy Reserve	388	388	388	Earmarked reserve
HRA - Renewable Energy Projects	194	144	94	Capital programme funding
	10,429	**11,729**	**9,030**	

Appendix 2 – HRA Revenue Budget 2020/21

Data Table A - Employee Full Time Equivalent (FTE) Reconciliation

The table below includes FTE numbers for the proposed service pressures.

Original FTE 2019/20	**299.5**
Property & Investment structure changes 19/20	(1.5)
Changes for 2020/21	
New repairs contract (Mears TUPE staff)	163.2
Resident Engagement increase	0.2
Support service posts	3.6
Increase in client side resources for repairs (was formerly work carried out under Mears contract)	10.0
Service Pressures	
Increase in FTE in Estate Regeneration (net)	1.7
Property & Investment - new housing supply	2.0
Tenancy Service welfare support service	1.0
Programme Management for continued mobilisation of new repairs and maintenance services (1 year only)	8.0
2020/21 Proposed FTEs	**487.7**

Appendix 2 – HRA Revenue Budget 2020/21

Data Table B - Support Service and Other Charges Analysis

The table below provides a breakdown of the support service charges for 2020/21 and compares this to 2019/20.

Charging Service	Budget 2019/20 £'000	Budget 2020/21 £'000
Support Functions:		
Insurance Costs	886	904
ICT	671	833
Finance	212	300
Legal	313	400
Democratic	238	243
Human Resources	177	241
Property	107	160
Tenancy Fraud	62	64
Procurement	50	161
Business Operations	42	83
Communications	25	25
Director	17	18
Other charges:		
Youth Service	250	255
Discretionary Community Grants	145	145
Disabled Adaptations	118	120
Field Officer support	50	50
Family Coach funding	38	-
Apprenticeship Levy	31	31
Homing in and Area Panels	29	30
Energy Efficiency Support	26	26
Pest Control Services	-	40
Noise Pollution	16	16
Total	**3,503**	**4,145**

Appendix 3 - Tenant Service Charges

All fees and service charges are reviewed annually to ensure full cost recovery (where appropriate) and also to identify any service efficiencies that can be offset against inflationary increases to keep increases to a minimum. Proposed fees and service charges for 2020/21 are detailed below. Please note that for the comparable 2019/20 figures, the average weekly charge may change from the previous year's budget report as a result of stock changes (for example new builds and Right to Buy Sales).

Service Charges Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2019/20 Average Weekly Charge £	2020/21 Average Weekly Charge £	Average Increase/Decrease £	Average Increase/Decrease %	Comments
Communal Cleaning	5,284	2,405	£2.93	£3.03	£0.10	3.4%	The increase reflects pay and price inflation.
Door Entry Servicing and Maintenance	4,286	1,907	£0.49	£0.50	£0.01	2.0%	The increase reflects annual contract inflation.
Electricity - Communal Ways	5,323	2,425	£0.89	£0.95	£0.06	7.0%	The change is mainly as a result of higher electricity prices.
Grounds Maintenance	5,645	2,369	£0.72	£0.73	£0.01	2.0%	The increase reflects annual contract inflation.
Lift Servicing and Maintenance	2,480	861	£0.94	£0.98	£0.04	4.0%	The increase reflects annual contract inflation.
Seniors Housing - Common Ways	875	167	£8.84	£9.01	£0.17	1.9%	The increase reflects pay and price inflation.
Seniors Housing - Intensive Management	871	164	£21.89	£22.02	£0.13	0.6%	The increase is mainly due to increased staff costs (a nationally agreed pay increase).
Seniors Housing - Laundry	848	160	£1.70	£2.00	£0.30	17.6%	The increase reflects the need to recover the costs of laundries.

Service Charges Eligible for Housing Benefit	Tenants Charged (No.)	Approx. not eligible for Housing Benefit (No.)	2019/20 Average Weekly Charge £	2020/21 Average Weekly Charge £	Average Increase/Decrease £	Average Increase/Decrease %	Comments
TV Aerials	5,679	2,378	£0.78	£0.79	£0.01	1.3%	The increase reflects annual contract inflation.
Video Entry Servicing and Maintenance	146	60	£0.98	£1.00	£0.02	2.0%	The increase reflects annual contract inflation.
Service Charges NOT Eligible for Housing Benefit							
Communal Heating – Electricity	79	N/A	£10.21	£10.98	£0.77	7.6%	The change is the result of forecast higher electricity prices.
Communal Heating – Gas	1,206	N/A	£6.81	£6.77	-£0.04	-0.5%	The change is the result of forecast higher gas prices but lower levels of consumption.
Garages and Car Parking	2,762	N/A	£9.21	£9.39	£0.18	2.0%	The increase reflects pay and price inflation.
Mobility Scooter and Cycle Storage	35	N/A	£2.50	£2.50	£0.00	0.0%	No change is proposed for 2020/21.
Seniors Housing - Guest Rooms	N/A	N/A	£15.00	£15.50	£0.50	3.3%	This increase reflects inflation as there was no increase for 2019/20.
Water Charges	240	N/A	£4.60	£4.69	£0.09	2.0%	The increase is due to forecast inflation increase of 2% for water charges.

HRA Capital Programme 2020/21 – 2022/23 Appendix 4

EXPENDITURE	For info P&R Original Budget 2019/20	For Approval Proposed Budget 2020/21	For info Profiled Budget 2020/21	Total Budget 2020/21	Provisional Budget 2021/22	Provisional Budget 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Improving Housing Quality							
Door Entry Systems & CCTV	818	700		700	697	700	A long-term programme to replace door entry systems, where needed, as many are nearing the end of their serviceable life, with spare parts being difficult to source. This programme is reviewed, alongside the communal main entrance door programme to ensure value for money.
Water Tanks, Ventilation, Lighting & Lightning Protection & Fire Alarms	675	750		750	611	613	Projects help meet statutory requirements and ensure safety and welfare for residents through replacement and improvements.
Lifts	921	417		417	417	419	The lift replacement and upgrade programme is a long-term commitment to council residents. The majority of lifts have now been replaced since its inception, and the programme is under ongoing review to ensure it continues to provide good value for money.
Fire Safety & Asbestos Management	4,070	1,420	1,400	2,820	1,781	1,794	Effectively managing the risks of both fire and asbestos materials is an ongoing need. Includes both statutory requirements and provision for enhanced fire safety measures. In particular, including provision for a programme of retro-fitting of sprinklers, which continues, subject to consultation with residents.
Minor Capital Works	664	324		324	323	325	Investment in smaller capital repairs across the HRA stock as well as investing in car parks and garages.
Roofing	1,927	1,590		1,590	1,113	1,121	Helps to extend the life of assets, improves insulation and reduces responsive repairs.
Condensation & Damp Works	392	250		250	278	280	Health and welfare of council residents is assisted by tackling issues arising from condensation and damp in properties
Major Structural works	4,986	2,795		2,795	9,047	5,823	Meeting our landlord obligations through maintaining the structural and general external integrity of properties.
Seniors housing quality improvement works		206		206			Seniors Housing are implementing the new agreed strategy to ensure ongoing quality of seniors schemes. This budget will kick-start initial improvements, whilst longer-term investment plans are progressed.
Major Empty Property works	91	80		80	111	112	Extensive refurbishment of empty homes prior to re-letting.
Cyclical Repairs & Decorations	3,420	1,363		1,363	2,543	2,562	External and common way repairs and decorations across the city help reduce ongoing costs and keep properties well maintained. Property & Investment work closely with residents to ensure internal decorations in blocks are consistently delivered across the city.
Future capital projects	112	457		457	314	314	Specialist and other surveys to support future programmes.

HRA Capital Programme 2020/21 – 2022/23 Appendix 4

EXPENDITURE	For info P&R Original Budget 2019/20	For Approval Proposed Budget 2020/21	For info Profiled Budget 2020/21	Total Budget 2020/21	Provisional Budget 2021/22	Provisional Budget 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Brighton & Hove Standard Works							
Dwelling Doors	*293*	227		*227*	250	252	Replacing doors to properties with secure and efficient design helps residents feel safer. This programme includes the provision of fire-rated doors to dwellings where required.
Kitchens & Bathrooms	*1,671*	1,533		*1,533*	1,692	1,704	This budget helps to ensure homes comply with the Brighton & Hove Standard.
Rewiring - Domestic/ Communal	*1,384*	1,227		*1,227*	1,269	1,278	Safe and reliable and compliant electrical installations and efficient lighting are supported from this budget.
Windows	*1,806*	965		*965*	1,948	1,289	Window replacement programmes meet the council's landlord obligations, improve energy efficiency, warmth and reduce ongoing repair costs.
Sustainability & Carbon Reduction							
Domestic/Communal Heating Improvements	*2,100*	2,104		*2,104*	2,099	2,103	Efficient and modern replacement heating systems improve thermal comfort, reduce carbon emissions and resident fuel costs.
Housing Centre - Heating and Ventilation		600		*600*			The new heating, cooling and ventilation system for the Housing Centre brings the opportunity to help deliver a more sustainable future. The aim is to significantly reduce the carbon emissions related to our service delivery activities through this investment. The existing system is in poor condition and is now not considered fit for purpose.
Elwyn Jones Court - Heating Project		600		*600*			A low/zero carbon system of ground source heat pumps and new heating distribution system will bring benefits to both residents and the environment by reducing the need for fossil fuel use. The existing heating system is no longer considered fit for purpose and requires replacement.
Home Energy Efficiency, Insulation improvements & Renewables	*662*	264	*75*	*339*	253	203	Many homes now benefit from solar panels. This programme will help take up a range of opportunities to further improve the energy rating of our homes and to identify projects that will help move towards zero carbon from our service delivery activities by 2030.
New Solar Panels Programme		100		*100*			Commencement of new solar programme.

HRA Capital Programme 2020/21 – 2022/23 Appendix 4

	For info	For Approval	For info				
EXPENDITURE	***P&R Original Budget 2019/20***	**Proposed Budget 2020/21**	***Profiled Budget 2020/21***	***Total Budget 2020/21***	**Provisional Budget 2021/22**	**Provisional Budget 2022/23**	**Description**
	£'000	**£'000**	***£'000***	***£'000***	**£'000**	**£'000**	
Tackling Inequality							
Estate Development Budget	*355*						Budget of £0.247m now sits within revenue, reflecting the nature of spend against this budget. Residents are able to prioritise smaller projects through this continuing and well supported budget.
Environmental Improvements	*400*	200		*200*	200	200	This Budget funds environmental and communal area improvement work based on resident priorities. The total budget stands at **£0.500m** for 2020-21, with the capital portion of the budget being £0.200m and the remainder in the revenue budget to reflect the nature of spend.
Fencing	*61*	57		*57*	56	56	Maintaining and improving our neighbourhoods and estates.
Disabled Aids & Adaptations	*1,150*	1,150		*1,150*	1,150	1,150	Enabling vulnerable residents continue to live independently in their homes through investment in housing adaptations.
Conversions & Extensions	*551*	537		*537*	532	534	Tackling overcrowding across the city is of key importance to ensure good quality housing.
Housing ICT Budget	*1,200*	70		*70*	50	50	
Total Investment in existing Housing Stock	***29,709***	**19,986**	***1,475***	***21,461***	**26,734**	**22,882**	

HRA Capital Programme 2020/21 – 2022/23 Appendix 4

EXPENDITURE	For info P&R Original Budget 2019/20	For Approval Proposed Budget 2020/21	For info Profiled Budget 2020/21	Total Budget 2020/21	Provisional Budget 2021/22	Provisional Budget 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Delivery of New Council Homes							
New schemes		2,760		2,760	53,507	54,999	This is the forecast expenditure required to develop 405 new homes, across various sites in the city. These projects will be assessed and presented separately to Housing Committee.
Converting spaces in existing buildings	1,578	1,612		1,612	1,171	1,870	Increasing housing supply through an ongoing Hidden Homes programme to deliver new homes by converting existing redundant spaces.
Purchase of Emergency Temporary Accommodation	3,500						
Other acquisitions			1,448	1,448	7,261		Increasing housing supply through other acquisitions.
Purchase properties	7,000	15,612		15,612	8,797	12,543	Increasing housing supply through the expanded Home Purchase Policy.
Design competition	200		2,200	2,200			Increasing housing supply through the New Homes for Neighbourhoods programme. Total scheme budget approved for the development of 8 homes
Oxford Street conversion	1,125						
Redevelopment of vacant HRA garage sites	83						
Selsfield Drive	5,109		4,236	4,236			Scheme due for completion in 2020/21.
Buckley Close	2,583		357	357			Increasing housing supply through the New Homes for Neighbourhoods programme. Total budget of £2.96m approved at December PR&G for the development of 12 homes.
Victoria Road	1,972		8,167	8,167	2,890		Increasing housing supply through the New Homes for Neighbourhoods programme. Total budget of £12.914m approved at December PR&G for the development of 45 homes and the re-provision of a Sports Pavilion at Victoria Road, Portslade.
Tilbury Place	500						
Feasibility	227	150		150	150	150	This budget funds the initial survey and consultancy work required to bring forward new developments.
Total Delivery of New Council Homes	**23,877**	**20,134**	**16,408**	**36,542**	**73,776**	**69,562**	

HRA Capital Programme 2020/21 – 2022/23 Appendix 4

	For info	For Approval	For info				
EXPENDITURE	***P&R Original Budget 2019/20***	**Proposed Budget 2020/21**	***Profiled Budget 2020/21***	***Total Budget 2020/21***	**Provisional Budget 2021/22**	**Provisional Budget 2022/23**	**Description**
	£'000	**£'000**	***£'000***	***£'000***	**£'000**	**£'000**	
Total Programme	***53,586***	**40,120**	***17,883***	***58,003***	**100,510**	**92,444**	
Programme Funding							
Revenue Contribution to Capital		23,716		*23,716*	22,466	23,637	Funding from revenue surpluses.
Borrowing		13,835	*12,086*	*25,921*	54,155	51,335	Borrowing required mainly for new build development.
HRA reserves		570		*570*	3,550	550	Useable revenue and capital reserves
Capital Receipts		1,630	*4,922*	*6,552*	12,275	5,707	Retained RTB receipts for New Build
Energy Grants/FITs		180		*180*	180	180	Funding received to support sustainability and carbon projects.
Land Release Funding			*875*	*875*	6,045	11,035	Funding for works at Selsfield Drive and Victoria Road. £17m from Homes England for Moulsecoomb Hub.
Commuted Sums		3,049		*3,049*	1,839		Funding to support the purchase of properties through the Home Purchase Policy.
Earmarked rent reserve		1,050		*1,050*			Earmarked reserve to fund the Home Purchase Policy as agreed by Housing Committee in September 2019, utilised to reduce rents on properties purchased by the council.
Total Funding available		**44,030**		***61,913***			
Total Funding required	***53,586***	**40,120**	***17,883***	***58,003***	**100,510**	**92,444**	
Excess Funding available		**3,910**		***3,910***			**Forecast balance available to support future programmes.**
To be used for:							
New capital reserve for investment in existing housing stock 2021/22		**2,900**		***2,900***			Reserve for use in capital programme 2021/22
New Rent Reduction Reserve		**1,010**		***1,010***			Rent reduction reserve

Appendix 5 - HRA MEDIUM TERM FINANCIAL STRATEGY AND 30 YEAR FINANCIAL FORECAST

Medium Term Financial Strategy (MTFS)

The Medium Term Financial revenue position provides a cumulative surplus of £69.819m that can be used to support the delivery of the Capital Programme during this period. The MTFS includes provision for bringing the repairs and maintenance back in house and is reflected in the increased management costs to account for the increase in staff requirements and also the increase in revenue repairs costs. The rental income includes increases of CPI+1%, outlined in the central government announcement in 2018.

HRA Medium Term Financial Strategy

	2020/21	2021/22	2022/23
Expenditure			
Management & Service Costs	17,522	17,717	17,965
Repairs and Maintenance	12,400	12,923	13,657
Other Costs	1,170	1,185	1,208
Borrowing costs	6,292	7,045	8,657
Total Expenditure	**37,384**	**38,870**	**41,487**
Income			
Rental Income	(50,685)	(52,726)	(57,122)
Service Charges (Tenants)	(4,979)	(5,023)	(5,144)
Other Income	(5,436)	(3,587)	(2,858)
Total Income	**(61,100)**	**(61,336)**	**(65,124)**
Net Revenue Income	**(23,716)**	**(22,466)**	**(23,637)**

30 Year financial forecast

The introduction of self-financing provided local authorities with the opportunity to develop longer term planning to improve the management and maintenance of council homes. From April 2016, the Welfare Reform and Work Act 2016 introduced that rents should be reduced by 1% per annum for four years commencing in 2016/17, the final year of this decrease was 2019/20. The government then announced in 2018 that rents social rents could be increased by a maximum of CPI+1% over a 5 year period commencing in 2020/21

The current financial plan projections shown below continue to provide a balanced business plan and show surpluses of £226.810m over 30 years, which allows for regeneration and new investment within the HRA. This surplus has reduced since last year's plan mainly due to the provisions made for bringing the repairs and maintenance contract back in house and maintaining investment in stock at a similar level to last year's assumptions, supported by the data obtained from the asset management system. It also assumes that the repairs and maintenance and the capital investment programme are subject to inflation at RPI instead of the previously assumed CPI rate following advice from our business planning consultants. However, there are some uncertainties around the costs of the new repairs and maintenance service and as it becomes established, the business plan will be updated to reflect any efficiencies that the new service can make.

There are still some uncertainties due to government legislation which may have a significant impact on the long term health of the financial plan. These are outlined in section 6 of the main report.

30 Year Forecast – Assumptions

The 30 year financial forecast has been developed based on the following assumptions:

- A general inflation of CPI assumed as an average of 2% for years 1 to 30. Applied to the majority of costs and income in the HRA, with the only exceptions being the repairs and maintenance costs and capital investment programme which assumed to increase by the RPI rate.
- A general inflation of RPI assumed as an average of 2.6% for years 1 to 30.
- The forecast includes the council's commitment to deliver 800 homes over a 4 year period, with c.90 of these being bought forward during 2019/20. The plan includes the investment to deliver 710 over the next 3 years. The investment is assumed to be c.£179m utilising current and estimated right-to-buy receipts, commuted sums, potential grant funding and HRA borrowing. There is no further allowance for any future regeneration schemes beyond 2023/24.
- Rents are assumed to increase by CPI+1% for four years and revert to CPI thereafter.

The 30 year financial plan will continue to be updated to reflect the impact of the changes resulting from government legislation and the 2020/21 budget proposals. This will enable a review of future opportunities for additional investment in existing housing stock and building new homes both within the HRA and through alternative delivery models.

	Years 1-5	Years 6-10	Years 11-20	Years 21-30	Total
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Management & Service Costs	90,839	100,838	234,072	285,030	**710,779**
Repairs and Maintenance	67,301	76,816	180,721	223,746	**548,584**
Other Costs	6,052	6,673	15,502	18,897	**47,124**
Borrowing costs	54,655	62,555	98,636	96,989	**312,835**
Total Expenditure	**218,847**	**246,882**	**528,931**	**624,662**	**1,619,322**
Income					
Rental Income	(283,736)	(329,437)	(745,130)	(878,741)	**(2,237,044)**
Service Charges (Tenants)	(19,209)	(21,139)	(48,461)	(58,009)	**(146,818)**
Other Income	(24,682)	(21,606)	(51,348)	(67,741)	**(165,377)**
Total Income	**(327,627)**	**(372,182)**	**(844,939)**	**(1,004,491)**	**(2,549,239)**
Net Revenue Income	**(108,780)**	**(125,300)**	**(316,008)**	**(379,829)**	**(929,917)**
Capital Expenditure					
Capital investment programme	131,180	97,072	184,399	306,772	**719,423**
Development	179,877	-	1,787	3,985	**185,649**
Total Expenditure	**311,057**	**97,072**	**186,186**	**310,757**	**905,072**
Funded By:					
Other Capital Income	(50,731)	-	-	-	**(50,731)**
Borrowing	(152,116)	-	-	-	**(152,116)**
HRA Reserves	(4,012)	-	-	-	**(4,012)**
Direct Revenue Funding	(104,198)	(97,072)	(186,186)	(310,757)	**(698,213)**
Total Funding	**(311,057)**	**(97,072)**	**(186,186)**	**(310,757)**	**(905,072)**
Opening HRA reserves	(6,383)	(6,383)	(33,523)	(160,818)	**(6,383)**
(To) / From Reserves	0	(27,140)	(127,295)	(65,992)	**(220,427)**
Cash surplus at year 30	**(6,383)**	**(33,523)**	**(160,818)**	**(226,810)**	**(226,810)**

POLICY & RESOURCES COMMITTEE	Agenda Item 131 Brighton & Hove City Council

Subject:		**Winter Shelter Provision for Rough Sleepers**	
Date of Meeting:		**13th February 2020**	
Report of:		**Rob Persey, Executive Director of Health & Adult Social Care**	
Contact Officer:	**Name:**	**Jenny Knight / Emily Ashmore**	**Tel: 01273 293081**
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Ward(s) affected:		**All**	

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This paper examines the financial and resource implications for expanding winter shelter provision for rough sleepers and single homeless people.
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1.2 BHCC aims to ensure that no one has to sleep rough in the city and that rough sleepers are kept safe during in the winter months

1.3 The current provision ensures that, during the poorest weather, there are sufficient bed spaces to mean no-one should have to sleep rough in the city.

1.4 The proposed options would expand this provision and would meet gaps in service at weekends, and/or enable enhanced engagement by partners with rough sleepers or improve options for targeting hard to reach people.

1.5 This paper lays out two options for extended overnight provision for rough sleepers and details the actions, risks and barriers and funding required to progress these options.

1.6 There is currently a budget of £90,000 per annum for SWEP provision, this budget was overspent by around £20,0000 in 2018/19.

1.7 At present the Severe Weather Emergency Protocol has capacity for at least 35 rough sleepers and on average 26 people attend each night.

2. RECOMMENDATIONS:

2.1 The report recommends the adoption of weekend opening in addition to the current trigger. This would have an additional cost but would mitigate the lack of day centre and other provision at the weekend and would support the Street Outreach Service in their weekend engagement with people who are rough sleeping.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 Brighton & Hove City Council (BHCC) currently commissions a range of accommodation provision for rough sleepers and single homeless people offering both short term (hub) and longer term accommodation options. The vast majority of this provision operates year round, and includes;

- Supported accommodation for adults and young people.
- Somewhere Safe to Stay – offering short term accommodation to those at high risk of rough sleeping while a solution to their homelessness is found. (Funded by MHCLG)
- No Second Night Out Hub – offering short term accommodation to those new to the street or new to rough sleeping while a solution to their homelessness is found. (Part funded by MHCLG).
- 365 Nightshelter – offering 15 beds in shelter type accommodation to rough sleepers. (Funded for 2 years from November 2019)
- In addition to the above where a rough sleeper or single homeless person meets the thresholds for a statutory duty they may be offered accommodation in emergency provision (bed and breakfast) whilst the duty to them is explored.

3.2 BHCC funds or facilitates the funding of a total of 732 bed spaces in the city for single homeless people and rough sleepers

- 446 units of supported accommodation for adults
- 143 units of young peoples supported accommodation
- 60 units of mental health supported accommodation
- 54 short term shelter type accommodation spaces
- 29 supported accommodation units opening between January & March 2020

3.3 A significant proportion of the services offered for rough sleepers are funded by grant or temporary funding streams which poses a risk to the council. In 2019/20 the council received £1,817,640 in grant funding from the Ministry of Housing, Communities & Local Government. This funding paid for Somewhere Safe to Stay and part funded No Second Night Out which amounts to 39 of the 54 short stay accommodation spaces in the city. The funding also provided additional outreach staff for rough sleepers, 20 units of supported accommodation, a support worker in emergency accommodation and the Navigator's team of specialist staff supporting rough sleepers. No funding has yet been confirmed for 2020/21.

3.4 In addition to this St Patricks 365 Nightshelter accommodating 15 people and supported accommodation service for 29 people is subject to temporary funding with the Nightshelter funded until November 2020 and the supported accommodation until November 2021.

3.5 It is the aspiration of BHCC that through the provision of shelter, and support with resettlement and reconnection no one has to sleep rough in the city.

Current Rough Sleeping Position in Brighton & Hove

3.6 The city continues to see high numbers of rough sleepers despite existing provision. In total over 876 people were found rough sleeping over the last two years. Of

these 380 were only found rough sleeping once. This is due in part to the highly transient nature of rough sleeping, some will stay temporarily in the city and move on while others have been supported away from the streets by the street outreach team.

3.7 Many of those arriving on the streets of the city have no local connection. Of those whose local connection was known 51% had no local connection to the city. Of those with no local connection to the city 19% had a local connection to a neighbouring authority (East & West Sussex, Worthing, Eastbourne & Hastings).

3.8 Following the enactment of the Homelessness Reduction Act 2017 rough sleeping in an area for six months provides a person with a local connection to the area. Once someone has a local connection to Brighton & Hove any statutory duty to prevent or relieve their homelessness would sit with Brighton & Hove City Council (BHCC).

3.9 There are several reconnection services currently commissioned in city, these include a dedicated worker within the Street Outreach Services (though all workers support reconnection), No Second Night Out, and Somewhere Safe to Stay.

Severe Weather Provision

3.10 Brighton & Hove City Council provides shelter in severe weather for rough sleepers. Brighton & Hove's Severe Weather Protocol (SWEP) aims to prevent loss of life through the provision of emergency shelter in instances of severe weather. The service offers shelter to all rough sleepers including those to whom there is no statutory duty and those who do not have access to local accommodation services.

3.11 BHCC aims to ensure that people who are vulnerable are protected and provided for during the winter cold season and when extreme weather can threaten some people's safety and wellbeing. Within its powers as a local authority and within guidance set out by Homeless Link (a national membership charity for homelessness and supported housing organisations and local authorities) the council ensures there is available emergency accommodation for people who are rough sleeping in the city and who may be affected by severe weather.

3.12 The Ministry of Housing, Communities and Local Government (MHCLG) advise that SWEPs should be activated, at a minimum, by a weather forecast predicting three consecutive nights, or more, of a temperature of zero degrees Celsius or lower. Brighton & Hove's provision exceeds this guidance and currently opens on a forecast of one night at 'feels like' 0 degrees and on an amber weather warning. This trigger is a common sense method of ensuring that the lives of those sleeping rough are protected during poor weather.

3.13 SWEP provision in 2019/20 is being delivered in collaboration with both the council, Brighton Housing Trust and Brighton YMCA. The main venue for SWEP is Brighton Town Hall and this is staffed and managed by Brighton Housing Trust. There have been times when due to existing bookings at the venue, SWEP has needed to move temporarily to the Customer Service Centre at Bartholomew House.

3.14 In addition to the main venue at Brighton Town Hall which can accommodate 14 rough sleepers the service also utilises communal areas in supported

accommodation services at William Collier House, New Steine Mews and George Williams Mews.

3.15 The SWEP service when in operation is open from 7pm to 7am and offers a safe warm place to sleep and food and drink. The service is staffed by council and BHT staff who work in day services across the city and by security staff overnight. The service also utilises volunteers in the evenings and to provide food.

3.16 The SWEP service is supported by St Mungos who operate street shifts to inform rough sleepers of the provision when it is open. This is backed up by charities, organisations and individuals across the city who let rough sleepers know the provision is open.

3.17 Between 8th November 2019 and 3rd January 2020 SWEP has been open on 19 nights. 125 different people have accessed the service in this time and 488 bed spaces have been provided. On average 26 people per night have accessed the service. .

3.18 There is currently a budget of £90,000 per annum for SWEP provision, this budget was overspent by around £20,000 in 2018/19. The costs of SWEP have increased significantly since the provision moved from First Base Day Centre (currently being used as the NSNO Hub). In 2018/19 the main SWEP venue was moved to a leased building and provision was run by the council utilising council staff, security and volunteers. In 2019/20 the provision was moved to Brighton Town Hall and three smaller venues.

3.19 A retainer is currently paid for staff within the main venue throughout the winter. The cost of this retainer to the council is £30.41per night (for two staff). The staff rota and payment is managed by BHT. This retainer is not paid if the staff member is called to work SWEP. The cost of this is around £912.00 per month if SWEP does not activate.

Options for Extended Winter Provision

3.20 Two options for the provision of extended winter services to address issues arising as a result of increasingly unpredictable weather events and a lack of weekend services are detailed below. The first is the introduction of a weekend winter shelter and the second is the lowering of the trigger for SWEP opening. Members may wish to consider taking forward more than one option. A third option for a winter shelter for all rough sleepers is detailed in section 4. However, as outlined in Financial Implications (para 7.1) there is currently no funding identified for either of these options. As outlined in para 5.2 we would propose to consult with Police, Health and other statutory and non-statutory partners on any proposed expansion of direct access night shelter provision.

Option 1 – Weekend opening of Winter Provision

3.21 It has been identified that the weather has become increasingly unpredictable and that provision of day centres and services for rough sleepers at the weekend are limited. In response to these concerns Option 1 is to operate a shelter for all rough sleepers each weekend (Saturday & Sunday night) until 31st March 2020. This provision could be run in conjunction with the current SWEP provision and

potentially utilise existing venues. This provision would operate 7pm to 7am. If agreed this provision could be in place by the end of February 2020 if building issues can be overcome.

3.22 The cost of a weekend winter provision would be approximately;

Provision:	Cost per night :	Number of Nights	Total:
Nightly cost main venue	£748 (2 evening staff, co-ordinator, on call manager, 3 security staff, food, drinks, equipment)	18 (from 31st Jan)	£13,464
Nightly cost overspill venues	£540 (3 Security Staff for 12 hours)	18	£9,720
Additional experienced staffing if required – dependent on number of nights in a row service is open.	£100 (when needed to cover existing co-ordinator)	7 (estimate)	£700
Overspill venues / food / drinks / equipment / transport / cleaning	£70	18	£1,260
Venue cleaning (main venue)	£40	18	£720
Additional Main Venue	£488	18	£8,793
Total:	£1,925		£34,657

3.23 There are some potential barriers and risks to weekend opening which would need to be addressed.

Risk / Barrier:	Mitigation:
Accommodation:	
Brighton Town Hall is a council operational building that is able to be utilised in part as a temporary shelter space. It has no planning permission for longer term use for overnight residential use which could require a change of use	Planning have confirmed that the proposed weekend opening would not introduce a use which would have a significant impact on the character and amenity of the immediate surroundings compared to the existing use of the Brighton Town Hall or conflict with planning policies and therefore would not constitute a material change of use requiring planning permission. This advice is based on the fact that the either scenario of weekend only use, or a combination of week nights and weekend use would be temporary and would not be extended beyond March 2020 and would be limited to 15 people at any one time. If extended beyond March 2020 planning permission would need to be sought.

The current overspill venues are communal areas in supported accommodation services, these areas are used as dining rooms and activities spaces for the residents, they hold meetings, run courses and operate activities. SWEP has a significant impact on the service and its residents so any increase in opening will need to be negotiated with the accommodation providers. BHCC New Steine Mews has significant concerns about the impact, which are detailed below: • In past years New Steine Mews has only operated SWEP as a backup and was utilised around 10 times per year. With the lack of premises this year New Steine Mews has already been used 21 times since October. • No access to the dining room or kitchen for residents past 7.30pm. • No access to the communal computer after 7.30pm • Impact on staff handover due to the need to support SWEP closing in the mornings and opening in the evenings. • Possible impact on on-call managers should incidents occur in SWEP • Impact on evening staff inducting SWEP night security staff. • Noise and disruption to current residents from the SWEP service.	Negotiation with accommodation providers on use of buildings for weekends and how we can mitigate the impact on residents has commenced. This will result in additional costs for cleaning and building wear and tear. Brighton YMCA has agreed to offer the space for weekend operation at George Williams Mews and is willing to trial the use of William Collier House for two weeks. New Steine Mews has significant concerns which still need addressing We have been able to find an alternative building, but this has an additional cost. This is only available at the weekends.
Staffing	
Staffing rotas are currently based on emergency provision and the service is staffed by those who work during the day. There is a risk that staff would wish to alter their availability on the staffing rota if weekend opening is guaranteed. There would also be an additional need to carefully monitor staff hours to ensure that there was not a breach of the European Working Time Directives and the impact on the health and welfare of staff.	Staffing rotas would need to be reissued to staff to allow them to decide if they still wished to commit to weekend shifts if opening was not on an emergency basis.

When SWEP is open for severe weather this impacts on staffing in day services, the street outreach team concentrates its work on informing rough sleepers of the opening of the provision and the responsibilities of those working SWEP are scaled back. This is managed on a temporary basis, but the impact would increase with increased opening times.	The impact on services would need to be monitored closely and additional resource identified if increased opening impacted negatively on sustainable accommodation outcomes for rough sleepers. Additional Street Outreach Workers have an annual cost of approximately £44,880.
The SWEP service in its current Town Hall venue with the overspill venues has limited capacity (38 spaces) with contingencies for an extra 6 - 8 people in an emergency. SWEP has never exceeded this number however in the last week we have seen exceptional take up of the service recording the highest number of people accommodated on any single night since we have run SWEP with 42 people accommodated on the night of the 20.01.2020. The increase in numbers is of people previously unknown to services; this is not a pattern we have previously experienced. We are working with our commissioned and non-commissioned services to try and understand this significant change. If this pattern continues we will be unable to absorb additional numbers. Additionally, weekend opening could see a further increase in numbers of rough sleepers coming into the city to access the service. Increased numbers of people without a local connection may have a negative impact on reconnection work. The staffing is predicated on 51% of people rough sleeping in city being non locally connected. If this increases our current reconnection resource may be inadequate.	Numbers accessing the service have risen significantly in the last week. Any further increase will mean an additional venue and the costs to staff this would need to be identified urgently. We are currently liaising with statutory and non-statutory partners to assess any impact on their service; police, health, adult social care and day centres. Contact has been made with a number of church halls and venues but so far none have been able to offer a weekend space. If SWEP is triggered for cold weather and there is a risk to life we cannot refuse access to people in need, if we are unable to locate an additional venue we would have to look to at making placements into emergency accommodation or using hotels and bed and breakfasts. This would be expensive and there is often a limited pool of possible placements. Additional Reconnection workers have an approximate annual cost £44,880. The cost of relocating an individual varies but on average £150 per person to meet travel and resettlement costs is required.

Option 2 – Lowering the trigger for SWEP

3.24 It has been identified that the weather has become increasingly unpredictable, including increased rainfall in winter months. In response to these concerns Option 2 is to lower the trigger for SWEP. This provision could utilise existing venues. This provision would operate 7pm to 7am on any day across the week that the trigger was met. If agreed this provision could be in place by the end of February 2020 if building issues can be overcome.

3.25 Proposed revised trigger; Yellow weather warning (not including fog)as per the Met Office Risk Matrix and once enacted SWEP will remain in effect for at least 2 consecutive nights regardless of trigger being reached on the second night (currently only one night).

Provision:	**Cost per night :**	**Number of Nights**	**Total:**
Nightly cost main venue	£748 (2 evening staff, co-ordinator, on call manager, 3 security staff, food, drinks, equipment)	18 (from 31st Jan)	£13,464
Nightly cost overspill venues	£540 (3 Security Staff for 12 hours)	18	£9,720
Additional experienced staffing if required – dependent on number of nights in a row service is open.	£100 (when needed to cover existing co-ordinator)	7 (estimate)	£700
Overspill venues / food / drinks / equipment / transport / cleaning	£70	18	£1,260
Venue cleaning (main venue)	£40	18	£720
Total:	£1,498		£25,864

3.22 There are some potential barriers and risks to lowering the trigger and the resulting increased opening that would need to be addressed.

Risk / Barrier:	**Mitigation:**
Accommodation:	
The current overspill venues are communal areas in supported accommodation services, these areas are used as dining rooms and activities spaces for the residents, they hold meetings, run courses and operate activities. SWEP has a significant impact on the service and its residents so any increase in opening will need to be negotiated with the accommodation providers.	Negotiation is taking place with accommodation providers on use of buildings for additional opening and how we can mitigate the impact on residents. This may result in additional costs for cleaning and building wear and tear. Accommodation providers are willing to work with the council to deliver SWEP on yellow warnings while monitoring the impact on residents. If current accommodation providers are unable to accommodate additional opening because of the impact on

	residents receiving support, then an alternative building / buildings will need to be identified.
Staffing	
Staffing rotas are currently based on emergency provision and the service is staffed by those who work during the day. There is a risk that staff would wish to alter their availability on the staffing rota if increased opening is likely.	Staffing rotas would need to be reissued to staff to allow them to decide if they still wished to commit to shifts if opening was not on the original trigger.
When SWEP is open for severe weather this impacts on staffing in day services, the street outreach team concentrates its work on informing rough sleepers of the opening of the provision and the responsibilities of those working SWEP are scaled back. This is managed on a temporary basis, but the impact would increase with increased opening times.	The impact on services would need to be monitored closely and additional resource identified if increased opening impacted negatively on sustainable accommodation outcomes for rough sleepers. Additional Street Outreach Workers have an annual cost of approximately £44,880.
The SWEP service in its current Town Hall venue with the overspill venues has limited capacity (38 spaces) with contingencies for an extra 6 - 8 people in an emergency. SWEP has never exceeded this number however in the last week we have seen exceptional take up of the service recording the highest number of people accommodated on any single night since we have run SWEP with 42 people accommodated on the night of the 20.01.2020. The increase in numbers is of people previously unknown to services; this is not a pattern we have previously experienced. We are working with our commissioned and non-commissioned services to try and understand this significant change. If this pattern continues we will be unable to absorb additional numbers. Additionally, weekend opening could see a further increase in numbers of rough sleepers coming into the city to access the service. Increased numbers of people without a local connection may have a negative impact on reconnection work. The staffing is predicated on 51% of people rough sleeping in city being non locally connected. If this increases	Numbers accessing the service have risen significantly in the last week. Any further increase will mean an additional venue and the costs to staff this would need to be identified urgently. We are currently liaising with statutory and non-statutory partners to assess any impact on their service; police, health, adult social care and day centres. Contact has been made with a number of church halls and venues but so far none have been able to offer a weekend space. If SWEP is triggered for cold weather and there is a risk to life we cannot refuse access to people in need, if we are unable to locate an additional venue we would have to look to at making placements into emergency accommodation or using hotels and bed and breakfasts. This would be expensive and there is often a limited pool of possible placements. Additional Reconnection workers have an approximate annual cost £44,880. The cost of relocating an individual

our current reconnection resource may be inadequate.	varies but on average £150 per person to meet travel and resettlement costs is required.

3.23 If Option 1 and Option 2 were both approved there would be an increased impact of all of the elements above with opening likely to be for between two to six nights a week. This would result in significant additional impact on costs, staffing and wear and tear on the buildings being used for accommodation.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Option 3 - Provision for all Rough Sleepers Seven Days a Week

4.1 The third option is a shelter for all rough sleepers which could be operated over the winter period or 365 days a year. This overnight shelter would offer a safe and warm place to sleep with food and drink available. Allowing all rough sleepers within the city a safe place to sleep from 7pm to 7am every night of the week.

4.2 This provision could not be run in conjunction with current SWEP provision or within the current venues and would require a dedicated venue and a dedicated staffing team. SWEP would still need to operate on a small scale to pick up anyone excluded or unwilling to access the shelter in severe weather.

4.3 The cost of provision for all rough sleepers is estimated below, however this is an indicative figure because venue costs are unknown at this stage and cannot be included. Building costs would include rent, rates, utilities bills, insurance and cleaning. Funding for this service has not been identified.

4.4 The following calculations are based on two different models and on two different client capacities. At the current time we are averaging 26 rough sleepers per night in SWEP but a total of 125 different people have accessed since November, so costs are based on accommodation for a capacity of 30 or a capacity of 90 people.

4.5 The first costing is for a shelter service only with no meaningful support to engage the users in resolving their homelessness or support to access services.

Cost Element	**Costs per month: Emergency Nightshelter model 7pm to 7am 7 days a week capacity 30**	**Costs per month: Emergency Nightshelter model 7pm to 7am 7 days a week capacity 90**
Team Leader/Manager	£2,850 pcm	£2,850 pcm
On call provision	£912 pcm	£912 pcm
Security 7pm to 7am	£10,950	£16,425
Evening Staff 7pm to 10pm	£1,941 pcm for two staff each shift	£2,912 pcm for three staff each shift
Community volunteers 7pm to	£275 Expenses (travel) for two volunteers each shift	£411 Expenses (travel) for three volunteers each shift

10pm		
Total costs per calendar month	**£16,928**	**£23,510**

4.6 The second costing is for an enhanced model with trained staff able to offer direct support around ending people's homelessness and ensuring they were effectively linked in with services.

Cost element	**Costs per month: Supported shelter model 7pm to 7am 7 days a week capacity 30**	**Costs per month: Supported shelter model 7pm to 7am 7 days a week capacity 90**
Team Leader/Manager	£2,850 pcm	£2,850 pcm
On call provision	£912 pcm	£912 pcm
Security 7pm to 7am	£10,950	£16,425
Evening Staff 7pm to 10pm	£1,941 pcm for two staff each shift	£2,912 pcm for three staff each shift
Community volunteers 7pm to 10pm	£275 Expenses (travel) for two volunteers each shift	£411 Expenses (travel) for three volunteers each shift
Assessment and reconnection staff (working across the seven days and across the shelter and during the day to connect with services)	£4,750 pcm for two FTE staff with a minimum of one staff member at the Nightshelter every night	£7,125 pcm for three FTE staff with a minimum of two staff member at the Nightshelter every night
Total costs per calendar month	**£21,678**	**£30,635**

4.7 Additional running costs applicable to all models:

Cost Element	**Cost per calendar month**
Absence cover	£978
Disclosure and barring service checks and updates	£10
Staff training	£200
Human Resources, payroll, finance, IT support, corporate management and governance	£1,430
Staff travel (severe weather etc)	£152
Mobile telephones (4 telephones with data)	£80
Food, tea, coffee (@£3 per person per night)	£2,737 - £8,212
Sleeping mats and bags (inc replacing 50% each month at £25)	£437 - £1,312
Toiletries – towels, razors, sanitary products etc. (@ .75 per person per night)	£685 - £2,053
Laundry including towels and half of the sleeping bags twice	£114 - £342

a month @ £3.50	
Health and Safety including PPE, body fluid kits, first aid etc.	£150
Reconnection costs for clients	£1,800 - £3,600
Total	**£8,773 – £18,519**

4.8 The total cost for the winter shelter options not including accommodation costs and based on £8,773 running costs are as follows:

- Basic shelter provision for 30 people £25,701 per calendar month, £51,402 from 1 February to end March 2020 or £308,412 per annum
- Basic shelter provision for 90 people £34,083 per calendar month, £68,166 from 1 February to end March 2020 or £408,996 per annum.
- Enhanced shelter provision for 30 people £30,451 per calendar month, £60,902 from 1 February to end March 2020 or £365,412 per annum
- Enhanced shelter provision for 90 people £41,208 per calendar month, £82,416 from 1 February to end March 2020 or £494,496 per annum.

4.9 There are a number of potential risks and barriers to the setting up of a shelter for all rough sleepers in the city to run seven days a week which are detailed below:

Risk / Barrier:	**Mitigation:**
Accommodation:	
Brighton Town Hall is an operational building that does not have planning permission to offer a non- emergency shelter and change of use for a residential service provision for overnight sleeping. It does not offer sufficient space or facilities, and enhanced fire and health and safety measures. The current space does not offer women only space, or sufficient kitchen, toilet or shower facilities for anything more than emergency use	Planning have confirmed that the current site at Brighton Town Hall could not be used for a shelter and an alternative venue would need to be located.
Overspill venues in supported accommodation cannot be utilised due to existing use by residents.	As above an alternative venue would need to be sourced which could provide sufficient space for all rough sleepers in the city.
Officers in the city council have been searching for SWEP / Nightshelter venue for the last three years and have been unsuccessful in sourcing an appropriate building on anything more than a temporary basis.	Identify dedicated resource within the council to search for a building, negotiate lease terms and consult with the community. An estimate of £10,000.00 has been made for this resource and the community impact work detailed below.

New services being set up in the city for homeless people with complex needs have faced significant community opposition.	An impact assessment would need to be undertaken on any property identified to assess its suitability as a shelter and the possible impact on the community. Community consultation would need to take place prior to an agreement being signed on the premises.
Staffing:	
A dedicated staffing and management team would need to be recruited and an on call management system put in place. If there was an increase in use, we may need to revise our predicted staffing above and recruit additional staff.	There are two options for the provision – the first is that a council employs an experienced service manager to recruit and train staff and volunteers and run the service or a competitive tender is undertaken for a provider with relevant experience to run the service and recruit and train staff. This would need to have flexibility to increase staffing if that became necessary.
Service Capacity:	
The number of rough sleepers likely to access the service per night is unknown. SWEP provision can attract up to 35 people on one night, but 90 different people accessed in December 2019. Future demand for this service is unknown and the provision of a 7 day a week service that is open access could significantly increase demand.	We would need to ensure the identified venue had sufficient space to accommodate all rough sleepers safely (health & safety issues)and that staffing levels were sufficient to deal with the numbers accessing and an anticipated rise in numbers once the service is widely known about.
There is the potential for people to come in from neighbouring local authorities which do not provide a similar or any access to a Nightshelter. This is likely to have an impact on the number of rough sleepers in the provision.	We would need to ensure the identified venue had sufficient space to accommodate all rough sleepers safely and that staffing levels were sufficient to deal with the numbers accessing and an anticipated rise in numbers once the service is widely known about.
Possibility that overtime the service reaches venue capacity and has to turn away rough sleepers.	SWEP service will continue to operate in severe weather for anyone unable to access the shelter.
If we attract people in from out of area but do not have capacity for the increased demand, we could increase our overall number of rough sleepers in city and our Street Outreach Service and	We may need to look at increasing the size of the Street Outreach Service to meet increased demand; but this is not within current budget.

Reconnections services would be unable to work effectively with the increased demand for their service.	Additional Reconnection workers and/or Street Outreach Workers have an annual cost £44,880. The cost of relocating an individual varies but on average £150 per person to meet travel and resettlement costs is required.
Impact on the Community:	
There is the potential for people to come in from neighbouring local authorities to access a Nightshelter. This may impact on the number of rough sleepers on the streets of the city in the daytime and the number of rough sleepers who remain in the city and on the streets if the shelter closed after the winter.	The rough sleeper team will continue to work with rough sleepers to find solutions to their rough sleeping.
There is a potential impact on the local community from large numbers of rough sleepers queueing outside the provision prior to opening and leaving in the morning. There is the potential for anti-social behaviour in the local area.	Community engagement prior to the service commencing and while it is in operation will be key. Prior to any proposed new service provision, the council would engage with the Police, Health and other statutory and non-statutory stakeholders. The service will need to maintain regular communication with Sussex Police and The Safer Communities Team.
Impact on Rough Sleeping:	
There is the potential for people to come in from neighbouring local authorities to access a winter Nightshelter. This may impact on the number of rough sleepers on the streets of the city in the daytime. This may place an unsustainable burden on our Street Outreach Service and other services in the city.	This will be difficult to mitigate against people from neighbouring authorities already come to Brighton & Hove. The street outreach team and staff within the enhanced shelter model will work to reconnect people back to their area of origin.
Those who access the shelter who do not have a local connection will gain a local connection if they remain in the city for 6 months putting additional pressure on local services.	The shelter could include dedicated reconnection and move on staff who will work with individuals to find sustainable solutions for their homelessness (see costings for the enhanced service). However, with guaranteed accommodation rough sleepers may choose not to engage with support to reconnect.
There is the potential for people to come in from neighbouring local authorities to access a Nightshelter. This may impact on the numbers of people with complex health needs needing access to health and mental health services, A&E and hospital.	We will consult with partners and ensure we are monitoring any impact on health services and other agencies.

Safety Considerations:	
Shelter provision offers a shared eating and sleeping space for multiple people. Staff in SWEP will manage some difficult situations however challenging behaviour and the breakdown of relationships between users is rare. It is exceptionally rare that someone is excluded from the service for more than a few hours or one night. Experience of Nightshelter provision has shown that the longer people share a small space the more issues arise with behaviour and interpersonal relationships. A shelter service which operates on an ongoing basis even with experienced staff in place will see some issues with behaviour and relationships and an increased number of exclusions.	An experienced and consistent staffing team will need to be employed to ensure a safe service for both users and staff. Additional space in the venue will be needed to allow for separate sleeping spaces for vulnerable people or those who struggle in busy environments along with some quiet spaces. SWEP provision (provided in addition to the 7 day a week Nightshelter service) will continue to ensure that those who are excluded and those who do not wish to access a large shelter have somewhere to go in severe weather.

4.10 Any shelter provision would take approximately at least 8 weeks to mobilise once a building had been identified and community consultation had been undertaken. Lease negotiations and repair work could make this timescale significantly longer. This may mean that the service would be unable to open before the end of March 2020.

4.11 The financial position cannot be accurately assessed at this time as we have not located a building.

Other models of accommodation

4.12 Other models of accommodation could be considered as an alternative to shelter provision.

4.13 Block booked emergency accommodation or B&B placements: SWEP provision could be provided as individual placements in B&B accommodation at an approximate average cost of £50 per night per room. The SWEP budget of £90,000.00 would pay for 1800 bed spaces in accommodation over the winter. This would equate to 30 people being accommodated under SWEP for 60 nights.

4.14 This model would need detailed investigation factors to be considered would be:

- How would we source B&B accommodation at short notice when SWEP was activated and guarantee enough bed spaces were available for everyone who attended?
- Staffing would still be needed to co-ordinate the service and place rough sleepers in accommodation. This cost would be additional.
- How would we support rough sleepers with complex support needs including substance misuse in unsupported B&B accommodation?
- Would a landlord be willing to offer accommodation to rough sleepers with complex needs?

- Would the lack of support risk rough sleepers being evicted onto the streets in extreme weather?

4.15 Shelter provision for all rough sleepers could also be provided in B&B accommodation. This model would require a number of B&B's with support staff in place. The benefit of this model would be that housing benefit could be generated on the rooms supporting the costs of leasing the building. Again, there are a number of factors to be considered.

- Multiple buildings would need to be identified and leased with community consultation taking place for each location.
- Rough sleepers accommodated may be reluctant to move on from the service meaning the accommodation would quickly become full.
- Each location would need staffing which could potentially increase the cost of the shelter substantially even with housing benefit revenue.

4.13 The final option is to take no action and to continue with the current Nightshelter and Hub provision and the existing SWEP service for severe weather. This option would have no additional financial or staffing implications

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 If a venue was required for a shelter extensive community consultation will need to take place to ensure that the community is aware of the proposals and able to feedback on them prior to a decision being taken on the use of the location.

5.2 All options will need be discussed with Sussex Police, Health partners and other key stakeholders.

5.3 Any potential location would need to be discussed with Sussex Police, the Safer Communities Team and Ward Councillors.

5.4 If a winter shelter was identified as an option consultation with Rough Sleepers would need to take place around what they would like to see within a service, how they would wish to see it operate and what would help them feel safe. This is particularly important for those groups who may choose not to access a shelter service such as women or those from the LGBTQ community.

6. CONCLUSION

6.1 BHCC aims to ensure that no one has to sleep rough in the city and that rough sleepers are kept safe during in the winter months. This paper lays out three options for consideration which offer increased shelter over the winter period for rough sleepers.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The Winter Night Shelter provision is within the Health & Adult Social Care Housing Related Support budget of which the forecast expenditure is in line with the

approved budget. There is no funding for either options 1, 2 or 3 outlined in the main body of the report.

7.2 Depending on the type of support, the additional cost for February to March 2020 will be between £0.027m and £0.077m plus potential additional accommodation costs. As stated in the body of the report, the service would increase the supported accommodation capacity by up to 90 beds.

7.3 As noted, funding will be required for these options in 2019/20. The General Fund Budget Report, also on this agenda, addresses the one-off funding implications of the recommended option in this report (Option 1). However, if options 1 and 2, or option 3 are preferred, this will increase the funding required and will need further consideration by Policy & Resources Committee to identify additional one-off resources in 2019/20.

7.4 If any of the options were to be provided on a permanent basis the full year costs of the options would be £0.063m for Option 1, £0.063m for Option 2, and between £0.308m and £0.494m for Option 3 (depending on capacity). This would need to be identified in the 2020/21 General Fund Revenue Budget proposals.

Finance Officer Consulted: Sophie Warburton Date: 02/01/2020

7.5 <u>Legal Implications</u>

7.2.1 In the event of a requirement to procure services to implement options identified by the Committee the Council's Contract Standing Orders will apply.

7.2.2 The Public Contracts Regulations 2015 apply to the procurement and award of contracts above the relevant financial thresholds for services, supplies and works. The Government has made two Statutory Instruments the Public Procurement (Amendment etc.) (EU Exit) Regulations 2019 and the Public Procurement (Amendment etc.) (EU Exit) (No. 2) Regulations 2019. These Regulations will amend UK procurement law to ensure that it continues to operate effectively in the period after exit day. Any on going procurements at exit day will continue to be subject to the rules current at the date on which the procurement procedure was commenced.

7.2.3 There will be considerable health and safety considerations. Rough sleepers have higher rates of mental and physical ill health when compared to the wider population. These enhanced needs will need to be considered in service provision.

7.2.4 The potential for people to develop a local connection under homelessness legislation whilst accommodated in any enhanced offer or while rough sleeping in city in expectation of accessing the enhanced offer could place other services under pressure; particularly emergency and temporary accommodation which is already under significant budget pressure.

7.2.5 There has been ongoing and continuous legal challenges relating to the provision of emergency and temporary accommodation and adult social care

services. If an increased number of people develop a local connection to the city this is likely to increase and will represent a further additional budget pressure for Housing, Legal, and Health & Adult Social Care.

7.2.6 The current welfare first approach to people rough sleeping in city and particularly to these in unauthorised encampments is dependent on access to accommodation and reconnection options. If there is increased demand these routes off the street will become harder to access and will result in people rough sleeping or being accommodated for longer periods in Nightshelter accommodation unsuitable for long stays.

Lawyer Consulted: *Name Judith Fisher* *Date: 30/12/19*

Equalities Implications:

7.6 An Equalities Impact Assessment would need to be carried out if the option of winter shelter provision was agreed to ensure that the service is accessible to all.

7.7 An assessment would need to be undertaken on the possible impact of the service on the local community once a potential location had been identified.

Sustainability Implications:

7.8 This service would aim to make use of sustainable materials and support staff to utilise public transport where possible.

Brexit Implications:

7.9 We do not foresee any Brexit implications.

Any Other Significant Implications:

7.7 There is the potential for a number of significant implications from all options, most particularly the option of a winter shelter , which are detailed in the report these include

- Potential for the service to attract rough sleepers into the city increasing the numbers of rough sleepers on the streets in the daytime and after the service closes at the end of March
- Potential for increased arrivals in the city impacting on A&E and homeless health services
- Potential for rough sleepers remaining in the city for 6 months and gaining a local connection putting further pressure in local accommodation.
- Potential for community impact depending on where the service is located in the city.

7.8 The CCG have provided the following feedback on the potential benefits and risks of the options within this paper:

Option	Identified risk and Impact on health
Option 1: Weekend opening hours	Increased service provision could reduce weekend demand on A&E and urgent care services

	Could increase demand on primary /community services
Option 2: Lowering the trigger for SWEP	Earlier access to shelter could reduce demand on A&E and urgent care services
Option 3: overnight shelter (7am-7pm) over full winter period	• Risk : An increase in cities homeless /Rough sleeping population (people coming in from neighbouring LA to access night shelters) – Impact: Any increase in population will have significant impact on health services. Increasing demand on acute, emergency, primary and community care services.

Crime & Disorder Implications:

7.9 Both the Safer Communities Team and Sussex Police have been asked to comment on the proposals for shelter provision. The Safer Communities Team commented that offering shelter overnight was beneficial for the individual and the city, however they also identified a number of factors which would need to be planned for and mitigated by the service these included;

- People congregating prior to the shelter opening
- People who can't get in but then loiter in the area
- People evicted or asked to leave then causing a disturbance outside
- People using drugs or alcohol in the vicinity before they enter the service

The Safer Communities Team would expect those running the service to take appropriate action to tackle anti social behaviour and to work closely with them and Sussex Police.

Public Health Implications:

7.10 We would expect any service offering over night shelter to rough sleepers to have a positive benefit on their heath and wellbeing. Staff would receive appropriate training to ensure that they are able to link rough sleepers into health and wellbeing services.

Corporate / Citywide Implications:

7.11 The proposal of increased shelter provision supports the cities aims to improve the lives of rough sleepers and end the need to rough sleep in the city.

SUPPORTING DOCUMENTATION

Appendices:

1. None

Background Documents

1. None

POLICY & RESOURCES COMMITTEE	Agenda Item 132 Brighton & Hove City Council

Subject:		**Concessionary Travel, Fixed Deal Brighton & Hove Bus and Coach Company**		
Date of Meeting:		**13 February 2020**		
Report of:		**Executive Director Economy Environment & Culture**		
Contact Officer:	**Name:**	**Yvonne Harvey**	**Tel:**	**29-6897**
	Email:	**Yvonne.harvey@brighton-hove.gov.uk**		
Ward(s) affected:		**All**		

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 This report seeks committee approval for the proposed arrangement with Brighton & Hove Bus & Coach Company (BHBCC) over the next three years, for reimbursement of concessionary travel journeys with consideration of the extension of disabled pass holders travel time for residents of the city. Extended disabled pass holder travel cannot be implemented until details of reimbursement rates with BHBCC, who have the majority of concessionary travel journeys in the city has been decided which is detailed in part 2 of the report as it is commercially sensitive.

2. RECOMMENDATIONS:

That the Policy & Resources Committee:

2.1 approves a 3-year fixed deal with BHBCC for commencement from 1st April 2020 until 31st March 2023;

2.2 approves the extension of disabled pass holder travel time by 5 hours to include travel between 4am until 9am on weekdays for Brighton & Hove residents only, which would allow travel at any time (currently 9am-3.59am);

2.3 grants delegated authority to the Executive Director for Environment, Transport & Sustainability to negotiate and conclude a 3-year fixed contract with BHBCC for travel concession in line with option 1 referred to in paragraph 4.8 of the part two report.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 In 18/19 there were 9.8 million concessionary journeys. BHBCC account for 91.8% of the concessionary journeys within Brighton & Hove.

3.2 The current 3-year fixed deal with BHBCC ends on 31st March 2020. In negotiation with BHBCC there is a proposal for a further 3-year fixed deal. The Council uses specialist consultants (ITP Ltd) to support the negotiations.

3.3 The cost to the council of concessionary fares is funded from surplus income generated from civil parking enforcement governed by section 55 of the Road Traffic Regulation Act 1984.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The Council has a duty to reimburse bus operators for their loss of revenue and increased costs of carrying concessionaires so that the operators are no better or worse off as a result of the free travel scheme. The Department for Transport (DfT) have developed a reimbursement model and most authorities use this model as the basis for determining payments to their bus operators. Operators can appeal the level of their payment to the DfT who will use the model to determine the level of reimbursement due.

4.2 Rather than use the DfT model the Council has previously entered into fixed deals with both the major bus operators in the city; BHBCC and Stagecoach South alongside other bus companies who are reimbursed via the DfT model.

4.3 The key risk with entering into a fixed deal for the Council is that it ends up paying more for concessionary travel than would otherwise have been paid through the DfT model, but equally could have paid less. However, this has to be balanced against the benefits of budgetary certainty that a fixed deal provides over a three- year period.

4.4 We would also like to consider as part of the fixed deal an extension for disabled pass holders to travel at any time of day and older persons travel time remaining the same. (9am-3.59am). However, extended disabled pass holder travel cannot be implemented until details of reimbursement rates with the operator with majority of concessionary travel journeys in the city has been decided which is detailed in part 2.

4.5 Eligible older or disabled people are entitled to free off-peak travel on local buses throughout England with a Concessionary Travel Pass. Approximately 42,700 Brighton & Hove residents have concessionary travel passes, of which 7,000 are issued to qualifying disabled residents.

5 COMMUNITY ENGAGEMENT & CONSULTATION

5.1 There is significant regular pressure from the public to extend the hours of disabled travel to allow pass holders to use them to get to work and school, including an active online petition.

5.2 As outlined in the equalities implications below, the benefits for our disabled pass holders outweigh the cost which is demonstrated by how it will support many of our Council strategies and vision for inclusivity. This proposal also supports the Council's equalities and inclusion Policy statement and strategy objective to achieve 'excellent' in the Equality Framework for Local Government by April 2020.

6. CONCLUSION

6.1 It is recommended to fix a deal with BHBCC for 3 years with the recommendation to extend disabled travel to 24hrs.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The cost to the council for the reimbursement of concessionary travel journeys is funded from an approved revenue budget within the Transport service. The recommended fixed deal has been assessed to provide good value compared to alternative models whilst minimising risks of cost increases. More detail about the budgetary implications of the proposed deal is provided at part 2 to this report.

Finance Officer Consulted: Steven Bedford Date: 31/01/20

Legal Implications:

7.2 The Council operates its concessionary fares scheme in accordance with the Transport Acts 1985 and 2000, the Concessionary Bus Travel Act 2007 and the Mandatory Travel Concession (England) Regulations 2011. The provision of a concessionary travel scheme in accordance with the national minimum is a statutory duty. There is discretion for councils to provide a scheme that extends the entitlement of services over and above the national minimum. The statutory framework for travel concessions does not stipulate a minimum or maximum duration for an individual scheme. It is for the travel concession authority (i.e. the Council) to propose a start and end date, and to seek agreement with the bus operator over the length of this term.

Lawyer Consulted: David Fairfield *Date:* 31/01/2020

Equalities Implications:

The benefits for our disabled pass holders outweigh the additional cost, this is demonstrated by how it will support many strategies including:

1 The corporate vision; *A fairer city a sustainable future*

- A stronger city ‘we will improve access for disabled people’
- A sustainable ‘we will develop and active and sustainable travel network’
- A healthy and caring city ‘we will increase healthy life expectancy and reduce health inequalities’

2 Helps contribute towards achieving the objective in the Council’s Equalities and Inclusion Policy Statement and Strategy to achieve ‘excellent’ by April 2020 in the Equality Framework for Local Government by - supporting 3.1.

'We will make more of the data we have. We will analyse it so it informs service planning and delivery; helps us identify who is and is not accessing our services; and to identify who could be getting more from them'.

This would also be a positive and proactive initiative to be included in the Directorate Plan and monitored as a measureable equalities action. This will support the Directorate and Council to make progress towards the aims of being a Fair and Inclusive Council underpinned by the Fair and Inclusive Action Plan.

- *Independent Travel Trainer (Access Project) – This proposal would also support helping disabled children achieve travel independence. The Council is also subsidising a small amount of children with concessionary travel passes with extra commercial bus passes to get them to school. We can see from our journey analysis that children and young adults use their bus passes heavily at 3pm, but not in the mornings.*

- *Some of our disabled customers have told us that they are working part time in low paid jobs due to their impairments/ conditions and paying the additional bus fare to get to work is a real barrier to them working.*

- *It supports disabled parents who are taking their children to school by bus as they are unable to walk.*

POLICY & RESOURCES COMMITTEE	Agenda Item 133
13 February 2020	Brighton & Hove City Council

Subject:		**Fees & Charges** – Extract from the proceedings of the Environment, Transport & Sustainability Committee meeting held on the 21 January 2020		
Date of Meeting:		**13 February 2020**		
Report of:		**Executive Lead Officer for Strategy, Governance & Law**		
Contact Officer:	Name:	**John Peel**	**Tel:**	**01273 291058**
	E-mail:	john.peel@brighton-hove.gov.uk		
Wards Affected:	All			

FOR GENERAL RELEASE

Action Required of the Policy & Resources Committee:

To receive the item referred from the Environment, Transport & Sustainability Committee for decision:

Recommendations:

2.1 That the Committee approves the proposed fees and charges for 2020/21 as set out within the report and its appendices.

2.2 That Committee approves the relevant Traffic Regulation orders and Notices of intention to be advertised as soon as possible and that any objections to the Traffic Regulation Orders are reported back to the relevant committee for a final decision.

2.3 That Committee notes the proposed 2020/21 fees and charges for car parking within Stanmer Park as set out in paragraphs 3.13 – 3.15 and Appendix 3 are potentially subject to objections from the Traffic Regulation Order process. If any recommendations for changes are made to the Stanmer Park charges following the Traffic Regulation Order process this will come back to the relevant Committee alongside any potential changes in relation to Preston Park and East Brighton Park to ensure the charges are consistent across all the parks.

2.4 That Committee delegates authority to the Executive Director of Economy, Environment & Culture (in relation to paragraphs 3.4-3.21), the Executive Director of Housing, Neighbourhoods & Communities (in relation to paragraphs 3.22 - 3.25) and to the Executive Lead Officer – Strategy, Governance & Law (in relation to paragraphs 3.26 – 3.29) to change fees and charges as notified and set by central Government during the year.

BRIGHTON & HOVE CITY COUNCIL

ENVIRONMENT, TRANSPORT & SUSTAINABILITY COMMITTEE

4.00pm 21 JANUARY 2020

COUNCIL CHAMBER, HOVE TOWN HALL

DRAFT MINUTE EXTRACT

Present: Councillor Pissaridou (Chair) Wilkinson (Deputy Chair), West (Opposition Spokesperson), Wares (Group Spokesperson), Brennan, Brown, Davis, Heley, Lloyd and Moonan

PART ONE

60 FEES AND CHARGES 2020/21

60.1 The Committee considered a joint report of the Executive Director, Economy, Environment & Culture, the Interim Executive Director, Neighbourhoods, Communities & Housing and the Executive Lead Officer, Strategy, Governance & Law that set out the proposed 2018/19 fees and charges for the service areas covered by the Environment, Transport and Sustainability Committee in accordance with corporate regulations and policy.

60.2 Councillor West expressed his disappointment that there was very little in the structure of the fees and charges that focussed on the commitment to carbon neutrality. Councillor West stated his disappointment that there was very little or no overall increase in the parking charges and he believed this should be looked at again. Councillor West noted that there was an unacceptable surcharge in the cost of buying permits on a monthly basis against buying annual permits. Councillor West stated that this was unacceptable as it penalised residents and businesses that couldn't afford an annual permit due to cash flow issues or those that did not want to buy an annual permit. Councillor West believed this should be corrected through the budget process. With regard to parking charges for parks, Councillor West explained that whilst setting a cheaper tariff compared to the other charges in the CPZ had been a noble intention, the reality was that park car parks had been overloaded precisely because the charges were cheaper than compared to the surrounding area. Councillor West stated the parking charges for parks should be increased subject to recommendation 2.3. Furthermore, Councillor West expressed his disappointment that there was no differentiation in fees and charges for vehicle types and level of emissions, as was used for car tax as it did not encourage people to purchase lower emissions vehicles. Councillor West stated that he believed the committee should defer the decision to Policy & Resources Committee.

60.3 Councillor Wares queried the justification for the increase proposed for garden waste collection when the service wasn't delivering as expected. In relation to recommendation 2.3, Councillor Wares observed that a recent meeting of the Stanmer Park Working

Group had brought up a number of issues that may be difficult to resolve so agreement may take some time.

60.4 In relation to Stanmer Park, the Executive Director, Economy, Environment & Culture replied that he had been given feedback from the meeting however, it was still intended and achievable to meet the deadlines as set out. In relation to garden waste collections, the Executive Director, Economy, Environment & Culture added that there had been a lot of good work made in improving the service area and fees and charges had not been increased in the previous financial year in order to stabilise the service. It was felt that as the service waiting list was about to re-open and the service had been stabilised and improved, it was now appropriate to increase the charge to ensure costs were recovered. The Executive Director, Economy, Environment & Culture noted that if agreed, this would be the first price increase since the service had been introduced.

60.5 Councillor Wares stated that he believed the price increases would predominately impact upon those on low income and he was surprised Councillor West was advocating an increase in fees and charges. Councillor Wares expressed his dismay that traders permits would increase by £100 per annum, an act that would further hit businesses in the city. Furthermore, Councillor Wares believed it was an outrage that Doctors permits would rise by 100%, when they were undertaking such an important duty. Councillor Wares observed that whilst he agreed with some aspects of the proposals were good, many of the fees and charges would undoubtably affect those on low income the most and he would therefore, be voting against the recommendations.

60.6 Councillor Brown echoed Councillor Wares objections to the rise in Doctor's permits. In relation to paragraph 3.10, Councillor Brown did not believe a price increase at the King Alfred Centre was rationale as it would deter people from physical activity and exercise.

60.7 In response to queries from Councillor Heley and Councillor West, it was explained that as no amendments to the report had been received by 10am, procedurally, the committee had three choices available. To vote against the report, which would mean the report would be referred to the Policy & Resources Committee. This was because the 2020/21 budget proposals were developed on the assumption that fees and charges are agreed as recommended and any failure to agree would have an impact on the overall budget proposals, which meant the decision would need to be dealt with by Policy & Resources Committee as per the requirements of the Constitution. The second option would be to abstain and the third option to vote in favour of the report.

60.8 Councillor Lloyd stated that it was correct to introduce fee increases to deter unnecessary car journeys and promote sustainable transport. However, every journey a trader made was a necessary journey and he objected to any increase in this area.

60.9 Councillor Moonan welcomed the report, highlighting key aspects: that parking charges were lower than in neighbouring authorities, that Doctors would be able to park anywhere in the city for £1 per day and that the balance set in the parking fees and charges would help reduce congestion and work toward the overall program of carbon neutrality by 2030. Councillor Moonan noted that the some of the surplus would go directly towards the climate change programme and noted that with ten years of a reducing government grant, local authorities were left with no other option that to look closely at its fees and charges.

60.10 Councillor Wares noted that the council had lost millions of pounds in bad management of Coin Co International and the Shelter Hall project and it was acceptable to punish residents by asking them to pay for those mistakes by increasing fees and charges.

60.11 Councillor West expressed his disappointment in the report proposals as he felt a golden opportunity had been missed to dissuade people from using motor vehicles by raising fees and charges and in turn, raise funding that could be re-invested in sustainable transport infrastructure and projects.

60.12 In response to a further query from Councillor West, the committee received legal and procedural advice on rules for submission of amendments for this committee, Policy & Resources Committee and Budget Council.

60.13 Councillor West stated that he would like to propose a motion to amend the recommendations and requested the Chair's discretion to do so.

60.14 The Chair stated that the council had clear procedural rules on amendments and following the technical advice provided by officers at the meeting, she was not prepared to accept a late amendment.

60.15 Councillor Moonan expressed her frustration that a complex, technical amendment had been proposed at the last minute when the council had clear procedural rules and timescales on the matter and the report had been published on time.

60.16 The Chair then put the recommendations to the vote that failed.

60.17 The report was referred to Policy & Resources Committee for decision.

The meeting concluded at 8.45pm

ENVIRONMENT TRANSPORT & SUSTAINABILITY COMMITTEE	Agenda Item 60 Brighton & Hove City Council

Subject:		**Fees and Charges 2020-21**	
Date of Meeting:		**21 January 2020**	
Joint Report of:		**Executive Director for Housing, Neighbourhoods, & Communities; Executive Director, Economy, Environment & Culture; Executive Lead Officer - Strategy Governance & Law**	
Contact Officer:	**Name:**	**Steven Bedford**	**Tel: 01273 293047**
	Email:	**steven.bedford@brighton-hove.gov.uk**	
Ward(s) affected:		**(All Wards);**	

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 The purpose of this report is to set out the proposed 2020/21 fees and charges for the service areas covered by the Environment, Transport and Sustainability Committee, including Bereavement Services, in accordance with corporate regulations and policy.

2. RECOMMENDATIONS:

2.1 That the Committee approves the proposed fees and charges for 2020/21 as set out within the report and its appendices.

2.2 That Committee approves the relevant Traffic Regulation orders and Notices of intention to be advertised as soon as possible and that any objections to the Traffic Regulation Orders are reported back to the relevant committee for a final decision.

2.3 That Committee notes the proposed 2020/21 fees and charges for car parking within Stanmer Park as set out in paragraphs 3.13 – 3.15 and **Appendix 3** are potentially subject to objections from the Traffic Regulation Order process. If any recommendations for changes are made to the Stanmer Park charges following the Traffic Regulation Order process this will come back to the relevant Committee alongside any potential changes in relation to Preston Park and East Brighton Park to ensure the charges are consistent across all the parks.

2.4 That Committee delegates authority to the Executive Director of Economy, Environment & Culture (in relation to paragraphs 3.4-3.21), the Executive Director of Housing, Neighbourhoods & Communities (in relation to paragraphs 3.22 - 3.25) and to the Executive Lead Officer – Strategy, Governance & Law (in relation to paragraphs 3.26 – 3.29) to change fees and charges as notified and set by central Government during the year.

Note: If the above recommendations are not agreed, or if the committee wishes to amend the recommendations, then the item will need to be referred to the

Policy & Resources Committee meeting on 13 February 2020 to be considered as part of the overall 2020/21 budget proposals. This is because the 2020/21 budget proposals are developed on the assumption that fees and charges are agreed as recommended and any failure to agree, or a proposal to agree different fees and charges, will have an impact on the overall budget proposals, which means it needs to be dealt with by Policy & Resources Committee as per the requirements of the constitution. This does not fetter the committee's ability to make recommendations to Policy & Resources Committee.

3. CONTEXT/ BACKGROUND INFORMATION

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

3.2 The Draft Revenue Budget and Capital Strategy 2020/21 report approved by Policy & Resources Committee in December 2019 specified the assumption of a standard inflation increase to fees and charges of +2% (paragraph 4.13), with exceptions including Penalty Charge Notices (parking fines) where the level of fines are set by government and cannot be changed independently. The council's Standard Financial Procedures states that service committees shall receive a report from Executive Directors on fees and charges variations above or below the corporately applied rate of inflation

3.3 It is not always possible when amending fees and charges to increase by the exact inflation figure due to rounding. Therefore some fees and charges are rounded for ease of payment and administration.

City Transport - Highways (Appendix 1)

Highways

3.4 It is proposed to increase the non-statutory fees and charges in line with the corporate rate of +2%. The planning and pre-planning application advice charges have been increased by +4% to bring the officer hourly rate charges for Highways into line with those for Planning Services (one additional year of increases). Where percentage increases are under or over +2%/+4% this is to ensure that increases can be made in whole pounds. The proposed fees and charges are set out in **Appendix 1**.

City Transport – Parking (Appendix 2)

On-Street Parking

3.5 Decriminalised Parking Enforcement (DPE) was introduced in July 2001 with the aim of reducing congestion and improving traffic management. Any surplus arising from on street parking is spent on qualifying expenditure as governed by section 55 of the Road Traffic Regulation Act 1984, as amended from October 2004 by section 95 of the Traffic Management Act 2004.

3.6 All the surplus generated from parking charges after direct costs is invested locally into bus subsidies, concessionary bus fares, Local Transport Plan costs and local environmental improvements as permitted under the Act. Please see the following summary table. More information is available online in the Parking Annual Report 2018/19 (page 27/28).

On-Street Parking Surplus Spending

Financial Year	2015/16 £m	2016/17 £m	2017/18 £m	2018/19 £m
Surplus Net On-Street Parking Income	**12.7**	**13.7**	**15.2**	**16.8**
Spent on:				
Concessionary fares	10.8	10.9	10.8	10.8
Capital investment borrowing costs	2.8	2.7	2.6	2.5
Supported bus services and other public transport services	1.2	1.1	1.4	1.3
Contribution to eligible transport related expenditure	-	-	0.5	2.2
Total Spending Supported by Surplus	**14.7**	**14.7**	**15.2**	**16.8**
Spending Over Surplus	**2.0**	**1.0**	**-**	**-**

3.7 The proposed 2020/21 fees follow a review of parking demand in the city and the objectives set out in the councils Local Transport Plan, therefore changes to the tariffs will not reflect the assumed 2% standard budgetary inflation value. A schedule of fees and charges for on-street parking is included at **Appendix 2.** The most noteworthy proposals are as follows:

- Increase four rates in the Seafront pay & display high tariff between +1.8% to +16.7%. Medium and low tariff rates will remain the same. The increase in seafront tariffs ensures consistency with the central Brighton parking zones.

- Raise the price of an annual resident full scheme permit from £130 to £150 but keeping quarterly prices (£45) the same to not impact on those who find the upfront annual costs more difficult. Resident permits have not been increased since April 2016 and are an important tool for improving air quality (the 50% discount for low emission vehicles remains) while providing for needs of residents.

- Raise the price of an annual resident light touch permit from £100 to £110 but keeping six monthly prices (£60) the same to not impact on those who find the upfront annual costs more difficult. Again, resident permits have not been increased since April 2016 and is an important tool for improving air quality (the 50% discount for low emission vehicles remains) while providing for needs of residents.

- Raise second/additional full scheme and light touch resident permits by means of an additional surcharge (£80 and £70 respectively, quarterly £20 and six monthly £35). Again this is an important tool for improving air quality (the 50% discount for low emission vehicles remains) and may also reduce waiting lists for resident permits.

- Increase traders' permits (annually from £700 to £800, quarterly from £200 to £250 and add monthly, weekly and daily (removing waiver) options. Traders' permits are good value as the permits allow the use of resident/shared bays for any parking zone at any time for just over £2 per day. This allows more

flexibility for traders and better consistency for businesses as well as, by removing the waiver, reducing obstructive parking on double yellow lines.

- Increase the price of business permits (from £350 to £400 yearly and from £100 to £115 quarterly) but also double the allocation of business permits from two permits to four permits. Business permits are also a good value permit allowing use of resident/shared bays for a particular zone at any time at just over a £1 a day.

- Increase doctors' permits from £100 to £200 but allow them to use parking bays in a zone with same rules as business permit as well as specific doctors' parking bays (more parking options). This charge is consistent with business permits and allows costs to be determined by permit rather than by bay. It also increases parking flexibility for doctors as they can also park in resident/shared bays

- Increase resident visitor permits in Zone B and D (event day schemes) from £2.60 to £3.50 alongside setting a £50 charge for annual guest permits. Visitor permits would be consistent with light touch parking schemes. It also addresses complaints from residents about the use of visitor parking from the event day parking consultation.

3.8 Improving air quality is a key objective for the Brighton & Hove City council. Nationally poor air quality reduced average life expectancy in the UK by over six months and is believed to be responsible for approximately 50,000 premature deaths annually. In some parts of Brighton & Hove, the levels of nitrogen oxides in the air are double the European and English legal limits. Locally, the Joint Strategic Needs Assessment includes local figures for the impact of local air quality on health. As part of a range of measures to improve air quality, including the introduction of a Low Emission Zone, parking charges can also help to encourage less polluting travel options and reduce emissions.

3.9 In addition, congestion in the central area can affect the reliability of journey times and long term parking can reduce accessibility and the turnover of spaces. Better accessibility through a high turnover of vehicles being parked helps to support local businesses. Parking charges can help to encourage alternative transport choices and higher turnover of spaces. Penalty Charge Notices (PCNs) are set by central government and cannot be changed independently.

Off-Street Parking

3.10 As with on-street parking charges, the proposed fees are considered to be at a level which reflects the administration's traffic management objectives, particularly to reduce congestion and promote alternative forms of transport by moderating demands in certain bands. A schedule of car park fees and charges are included at **Appendix 2**: The most noteworthy proposals are to:

- Increase four rates at the Black Rock car park by +10% and include a new 11 hour tariff and delete the 9 hour tariff to bring the hours in line with nearby on-street parking. The car park will also extend in hours from 9am - 6pm to 9am - 8pm to bring in line with nearby on-street charges.

- Increase four rates at the King Alfred car park between +12.5% and +25%. The car park will also extend in hours from 9am to 6pm to 9am to 8pm to bring in line with nearby on-street charges. The annual season ticket will go up from £780 to £800 (+2.6%).

- Increase three rates at Rottingdean Marine Cliffs car park between +10% and +66.7%. A new 4 hour time band will also be introduced and the quarterly season ticket will go up from £52 to £60 (+15.4%).

- Increase two rates at the Norton Road car park at +10%. All other bands will remain unchanged. The quarterly season ticket will increase from £780 to £800 (+2.6%) and a new charge will apply to staff annual permits in the car park (£400).

- Increase the 1 hour band at the Lanes car park from £2 to £3 (+50%). All other bands will remain unchanged.

- Increase three rates at the Regency Square car park between +7.7% and +25%. All other bands will remain unchanged. The 24 hours/lost ticket fee will also increase from £18 to £20 (+11.1%)

City Environmental Management (Appendix 3)

City Parks

Allotments, Parks and Sports Bookings

3.11 It is proposed to increase the charges for allotments, parks and sports bookings by the standard inflation rate. A schedule of fees and charges is included at **Appendix 3**.

3.12 The principle of charging for dedicated benches and trees is to recover the costs to the council of running the service. Sports bookings have historically been set at a rate to reflect the council's health and wellbeing objectives and it is recognised that most sports bookings do not recover the cost of provision. There is an ongoing review of the sports booking service provision to investigate options to increase the proportion of costs met by the service user.

Car Parking Charges in Parks

3.13 Car parking charges at the car parks located at Preston Park and East Brighton Park were first introduced in 2011 and 2014 respectively to manage the level of parking activity with any net surplus generated ring fenced to invest in park improvements. The charges have remained at the same levels since being introduced (9 years and 7 years ago respectively).

3.14 The regeneration of Stanmer Park includes the proposed introduction of car parking charges on the site (as part of the business case which successfully secured external funding). The proposed Stanmer Park car parking charges are subject to a Traffic Regulation Order which was first reported to Environment, Transport and Sustainability Committee in October 2016. Subject to the outcome of consultation on the Traffic Regulation Order and the completion of

the relevant works, these car parking charges will be introduced in September 2020.

3.15 The proposal is to increase the car parking charges at Preston Park and East Brighton Park in order to bring these in line with the proposed charges for parking at Stanmer Park (Upper Lodges, Chalkhill, Lower Lodges) and manage demand. Details of these are set out in **Appendix 3.** These charges are potentially subject to consultation feedback from the Stanmer Park Traffic Regulation Order process to ensure all car park charges are consistent. This report therefore recommends that any required changes to Preston Park and East Brighton park charges are considered by a further Committee in the same further report as any potential objections received to the Stanmer Park proposals. Further changes to these parks would only be required if there are relevant changes following the Traffic Regulation Order consultation for Stanmer Park.

City Clean

Flyering Licenses

3.16 Flyering licences fees are set at a rate that is reasonably considered to allow appropriate regulation and minimisation of flyering activity, and to partly recover the cost of work required to clear litter generated from flyering activity. It is proposed to increase the charges by the standard inflation rate of +2%.

Trade Waste Collection Service

3.17 At Environment, Transport & Sustainability Committee on 9 October 2018, Committee delegated authority to the Executive Director Economy, Environment & Culture (subject to consultation with the Executive Director Finance & Resources) to revise the trade waste collection prices in response to the prevailing market prices for the services provided at least annually. Prices are set at individual customer level based on a combination of market price and the cost of providing the service.

Garden Waste Collection Service

3.18 The existing garden waste collection service charge at £52 per household per year was approved by Environment, Transport and Sustainability Committee in June 2016. The charge has not been increased in the three years since the service was opened. Cost inflation since service inception is estimated at a minimum of +8%. In addition, the charge for the garden waste collection service is comparatively low compared to the council's neighbouring authorities offering a similar service as set out in the table below:

Neighbouring Authorities Current Garden Waste Collection Services

Authority	Annual Cost	Bin Cost	Total Annual Cost	Notes
Brighton & Hove City Council	£52.00	£0.00	**£52.00**	Fortnightly collections/240 litre bin included.
Mid-Sussex District Council	£65.00	£0.00	**£65.00**	Fortnightly collections/240 litre bin included.
Lewes & Eastbourne District Councils	£70.00	£0.00	**£70.00**	Fortnightly collections/240 litre bin included.
Adur &Worthing District Councils	£85.00	£0.00	**£85.00**	Weekly collections/240 litre bin included.
Horsham District Council	£49.00	£43.40	**£92.40**	25 collections a year/charge for a 240 litre bin.

3.19 The proposal is to increase the garden waste charges to £60 per household per year - a level which is comparable with but still lower than neighbouring authorities. This translates into £5 per month for a fortnightly collection.

3.20 Assuming a customer base of 8,000 households, the estimated additional income generated each year is around £0.064m a year which will cover the costs of expanding the service and existing costs.

Environmental Enforcement

3.21 At the 25 June 2019 meeting of the Environment,Transport & Sustainability Committee, the committee approved the Environmental Enforcement Framework and the associated Fixed Penalty Notice charges. Details of these charges can be found at E. https://new.brighton-hove.gov.uk/rubbish-recycling-and-streets/streets/environmental-enforcement-framework

Safer Communities (Appendix 4)

Trading Standards

3.22 It is proposed to increase the non-statutory fees and charges in line with the corporate rate of inflation +2%.

Environmental Health

3.23 It is proposed to increase the majority of non-statutory fees and charges in line with the corporate rate of inflation +2%. The exception being an additional £10 fee for carpet moth treatment to pay for additional control measures.

Travellers Sites (Appendix 5)

Traveller Pitch Fees

3.24 The pitch fees for both the permanent and transit sites are legally, under The Mobile Homes Act 1983, permitted to be increased by the Retail Price Index (RPI) each year. These charges have been increased by the September 2019 RPI of +2.4% as per the legislation.

3.25 The service charges for both sites are set to recover the costs only. It is proposed to increase the existing service charges for the travellers' transit site by +4.3% and for the travellers' permanent site by +2.9% to reflect increases in

costs. There is limited historic data on costs as the pitches have only been fully operational for a few years.

Bereavement Services (Appendix 6)

3.26 Proposals for increases to certain services provided by the council's Bereavement Services team are made with the knowledge that there is increased competition in the funeral industry. Research, and full engagement with local funeral directors, has enabled the service to build a picture of what other crematoria are providing, and therefore keep pace with changes, and be flexible enough to adapt our own service offer, both now, and to lay foundations for anticipated changes in the bereavement industry, in the future.

3.27 Affordability of funerals continues to be high profile nationally, with significant scrutiny around costs. The service's proposals for the financial year 2020/21 are made with this acknowledged and include analysis of updated benchmarking information that details fees charged for similar services in neighbouring districts including Worthing, Eastbourne and with the Downs Crematorium within Brighton and Hove. Comparisons have been made with these neighbours, as they are the alternative service providers who customers are most likely to opt for if they don't choose Brighton and Hove City Council's service offer. It should also be noted that there is the emergence of a nationwide direct cremations company, who have a marketing strategy targeting funeral directors across the country. The service proposal acknowledges this risk to our direct cremations service, with a proposal to only increase next year's fee for our direct cremations service, by the standard 2% uplift.

3.28 The benchmarking review has demonstrated that Bereavement Services remain competitive with near neighbours and still offer services for a comparatively low fee. As with previous reviews, there are no proposals to change charging policies in relation to children. Central Government recently launched their scheme to fund children's funerals nationally. It is currently unclear how cremation/burial authorities will actually claim back costs. The service's charges for children's cremations and burials remains nil but when the new national scheme is introduced by the government and becomes operational, this may need to be reflected in the local fees and charges.

3.29 **Appendix 6** contains a table of the proposed changes to fees based on the main services that we offer. Benchmarking and comprehensive unit costs analysis has established exactly what it costs the Bereavement Services to provide the services offered to customers. Please see details at **Appendix 7**. The additional income is estimated of up to £0.039m if business levels remain consistent in 2020/21 to the analysed demand for services over the full year of 2018/19. The proposed fees and charges are formulated to be consistent with the general principle of cost recovery rather than making a profit.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The proposed fees and charges in this report have been prepared in accordance with the council's fees and charges policy and form part of the proposed budget strategy. They take account of the requirement to increase by the corporate inflation rate of 2.0% (unless otherwise stated) and consideration has been given

to other factors such as statutory requirement, cost recovery and prices charged by competitor / comparator organisations. Parking fees and charges are set to meet transport management objectives of managing demand for parking and reduce congestion.

5 COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Where Traffic Regulation Orders are required for proposed transport fee changes, objections received will be reported to this Committee at a future date.

6. CONCLUSION

6.1 Fees and charges are considered to be an important source of income in enabling services to be sustained and provided. A wide range of services are funded or part funded by fees and charges including those detailed in this report. The overall budget strategy aims to ensure that fees and charges are maintained or increased as a proportion of gross expenditure through identifying income generating opportunities, ensuring that charges for discretionary services and trading accounts cover costs, and ensuring that fees and charges keep pace with price inflation and/or competitor and comparator rates.

6.2 Fees and charges budgets for 2020/21 are assumed to increase by a standard inflation rate of +2.0% with the exception of those listed within this report. The council's Corporate Fees and Charges Policy requires that all fees and charges are reviewed at least annually and should normally be increased by either; the standard rate of inflation, statutory increase or increases in the costs of providing services.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

7.1 The fees and charges recommended in this report have been reviewed in line with the Corporate Fees & Charges Policy and all relevant regulations and legislation. The anticipated recurring financial impacts of fee changes will be reflected within service revenue budgets. Increases to meet the corporate rate of inflation of +2% are normally applied to all council income budgets (exceptions include statutory Penalty Charge Notices) to ensure income is maintained as a proportion of the net cost of service. Increases above or below the corporate rate of inflation must be approved by the relevant service committee or Policy & Resources Committee and can result in additional contributions toward either the cost of services and/or overheads. This can also result in the achievement of a net budget saving to the council. Where this is the case, this will be reflected in 4-Year Budget Plan proposals for the relevant service and will be incorporated within the revenue budget report to Policy & Resources Committee and Budget Council in February 2020. Income from fees and charges is monitored as part of the Targeted Budget Monitoring (TBM) process.

7.2 In the case of on-street parking permits, tariffs and penalty charges, the use of any surplus income from civil parking enforcement, after taking into account costs, is governed by section 55 of the Road Traffic Regulation Act 1984 as amended. This requires any surplus to be used for transport and highways

related projects and expenditure such as supported bus services, concessionary fares, Local Transport Plan projects and environmental improvements

7.3 There may be costs associated with advertising Traffic Regulation Orders (TROs) for changes to charges within the Transport service which will be met from existing revenue budgets.

Finance Officer Consulted: Steven Bedford *Date:06/01/20*

Legal Implications:

7.4 The council needs to establish for each of the charges imposed both the power to levy charges of that type, and, where applicable, the power to set the charge at a particular level. In some cases, the amount of the charges is set by Government. In other cases where a figure is not prescribed, for example the general power to charge for discretionary services under the Local Government Act 2003, the amount that can be charged is restricted to cost recovery. In some prescribed cases, such as charging for trade waste collection, legislation enables the Council to set charges at a commercial rate. Special provisions apply in the case of parking charges which are set out below. In all cases the council must act reasonably and ensure that any statutory formalities which govern the particular charge are complied with.

7.5 The Council is entitled to set parking charges at levels that will enable it to meet its traffic management objectives for example, by managing supply and demand for parking. Under section 55 of the Road Traffic Regulation Act 1984, as amended by the Traffic Management Act 2004, the Council must keep an account of all parking income and expenditure in designated (i.e. on-street) parking spaces which are in a Civil Enforcement Area, and of their income and expenditure related to their functions as an enforcement authority. The use of any surplus income from civil parking enforcement is governed by Section 55 of the Road Traffic Regulation Act 1984 as amended. This allows any surplus to be used for transport and highways related projects and expenditure such as supported bus services, concessionary fares and Local Transport Plan projects.

Lawyer Consulted: Elizabeth Culbert *Date: 08/01/20*

Equalities Implications:

7.6 Management of fees and charges is fundamental to the achievement of council priorities. The council's fees and charges policy aims to increase the proportion of costs met by the service user. Charges, where not set externally, are raised by corporate inflation rates unless there are legitimate anti-poverty considerations.

Sustainability Implications:

7.7 There are no direct sustainability implications arising from the recommendations in this report.

Any Other Significant Implications:

7.8 There are no other significant implications arising from the recommendations in this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Proposed City Transport (Highways) Fees and Charges 2020/21
2. Proposed City Transport (Parking) Fees and Charges 2020/21
3. Proposed City Environmental Management Fees and Charges 2020/21
4. Proposed Safer Communities Fees and Charges 2020/21
5. Proposed Travellers Sites Fees and Charges 2020/21
6. Proposed Bereavement Services Fees and Charges 2020/21
7. Benchmarking Bereavement Services Fees and Charges 2020/21

Background Documents

1. None

Appendix 1 - Proposed City Transport (Highways) Fees and Charges 2020/21

	2019/20	2020/21	
	Actual Charge	**Proposed Charge**	**Change %**
HIGHWAYS			
Vehicle Crossover Inspection - First inspection	£75.00	£75.00	**0.0%**
Vehicle Crossover Inspection - Proceeding to works	£100.00	£100.00	**0.0%**
S50 Road Opening Charge – Works on apparatus with an existing licence	£180.00	£184.00	**2.2%**
S50 Road Opening Charge – New Licence	£495.00	£505.00	**2.0%**
Works on the Highway (installation of ramps etc)	£351.00	£358.00	**2.0%**
Temporary Traffic Lights (application and approval of changes to traffic light junctions)	£120.00	£122.00	**1.7%**
Oversailing (permission to move materials/build temporary structures over the public highways)	£120.00	£122.00	**1.7%**
Officer time (When needed on site checking traffic management or traffic signals)	£49.00	£50.00	**2.0%**
DEVELOPER-LED HIGHWAY WORKS (INCLUDING S278/38 AGREEMENTS)			
Note 1: EVHW = Estimated value of the highway works, including street lighting and statutory undertakers works.			
Note 2: The S278/38 agreement fees below exclude fee for legal drafting, traffic regulation orders, structural/geotechnical AiP and commuted sums, which shall all be additional.			
Note 3: For S278/38 agreements applicants will be required to provide a legal undertaking at the point of application that they will pay any abortive costs that the Council may occur (including officer time @ £75/hr) above the value of the advanced fee should the application not be completed for any reason.			
S278/38 agreement - final fee to be paid when agreement completed to cover all tasks within standard scope	12% EVHW	12% EVHW	**N/A**
S278/38 agreement - advanced fee to be paid at point of application but to be deducted from final fee	50% Final fee (min £2,500)	50% Final fee (min £2,500)	**N/A**
Short-form S278 agreement - final fee to be paid when agreement completed to cover all tasks within standard scope	12% EVHW	12% EVHW	**N/A**
Short-form S278 agreement - advanced fee to be paid at point of application but to be deducted from final fee	50% Final fee (min £1,500)	50% Final fee (min £1,500)	**N/A**
Design check of conceptual highway design proposals outside of S278/38 agreement (small scheme)	£432.00	£450.00	**4.2%**
Design check of conceptual highway design proposals outside of S278/38 agreement (medium scheme)	£720.00	£750.00	**4.2%**
Design check of conceptual highway design proposals outside of S278/38 agreement (large scheme)	£1,080.00	£1,125.00	**4.2%**
Design check of detailed highway design proposals outside of S278/38 agreement, excl. SUDS drainage and street lighting (small scheme)	£504.00	£525.00	**4.2%**
Design check of detailed highway design proposals outside of S278/38 agreement, excl. SUDS drainage and street lighting (medium scheme)	£864.00	£900.00	**4.2%**

Appendix 1 - Proposed City Transport (Highways) Fees and Charges 2020/21

	2019/20	2020/21	
	Actual Charge	**Proposed Charge**	**Change %**
Design check of detailed highway design proposals outside of S278/38 agreement, excl. SUDS drainage and street lighting (large scheme)	£1,224.00	£1,275.00	**4.2%**
Design check of detailed SUDS drainage proposals outside of S278/38 agreement (small scheme)	£288.00	£300.00	**4.2%**
Design check of detailed SUDS drainage proposals outside of S278/38 agreement (medium scheme)	£504.00	£525.00	**4.2%**
Design check of detailed SUDS drainage proposals outside of S278/38 agreement (large scheme)	£720.00	£750.00	**4.2%**
Design check of detailed street lighting proposals outside of S278/38 agreement (small scheme)	£288.00	£300.00	**4.2%**
Design check of detailed street lighting proposals outside of S278/38 agreement (medium scheme)	£504.00	£525.00	**4.2%**
Design check of detailed street lighting proposals outside of S278/38 agreement (large scheme)	£720.00	£750.00	**4.2%**
Road safety audit outside of S278/38 process, completion of all overseeing organisation tasks for an individual stage 1/1+2/2/3 (small scheme)	£540.00	£562.50	**4.2%**
Road safety audit outside of S278/38 process, completion of all overseeing organisation tasks for an individual stage 1/1+2/2/3 (medium scheme)	£828.00	£862.50	**4.2%**
Road safety audit outside of S278/38 process, completion of all overseeing organisation tasks for an individual stage 1/1+2/2/3 (large scheme)	£1,152.00	£1,200.00	**4.2%**
Attendance at max 3 hour meeting to discuss highway design proposals outside of S278/38 agreement including advanced review of info and provision of written notes (but excluding formal design check of any highway design proposals)	£684.00	£712.50	**4.2%**
Structural Approval in Principle to DMRB BD02	£576.00	£600.00	**4.2%**
Geotechnical Approval in Principle to DMRB HD22/08	Time charge at counsultancy rates	Time charge at counsultancy rates	**N/A**
TRANSPORT PLANNING TASKS ASSOCIATED WITH PLANNING APPLICATIONS (INCLUDING PRE-APPLICATION ADVICE)			
Note: Where Planning Performance Agreements are proposed then the fees shall be calculated on a case specific basis and those below may not apply.			
Single round of written pre-Application advice without meeting (minor development - householder)	£108.00	£112.50	**4.2%**
Single round of written pre-application advice on proposals without meeting excluding advice on TS/TA scoping and highway works (minor development - other)	£180.00	£187.50	**4.2%**
Single round of written pre-application advice on proposals without meeting excluding advice on TS/TA scoping and highway works (major development/prior approval - general)	£324.00	£337.50	**4.2%**

Appendix 1 - Proposed City Transport (Highways) Fees and Charges 2020/21

	2019/20	2020/21	
	Actual Charge	**Proposed Charge**	**Change %**
Single round of written pre-application advice on proposals without meeting excluding advice on TS/TA scoping and highway works (largescale major development)	£432.00	£450.00	**4.2%**
Single round of written pre-application advice on submitted information including attendance at max 2 hour clarification meeting, but excluding TS/TA scoping and highway works (minor development scheme)	£504.00	£525.00	**4.2%**
Single round of written pre-application advice on submitted information including attendance at max 2 hour clarification meeting, but excluding TS/TA scoping and highway works (major development scheme)	£612.00	£637.50	**4.2%**
Single round of written pre-Application advice on submitted information including attendance at max 2 hour clarification meeting, but excluding TS/TA scoping and highway works (largescale major development scheme)	£720.00	£750.00	**4.2%**
Transport Note/Statement/Assessment screening opinion to determine type of report required	£216.00	£225.00	**4.2%**
Review and written response to Transport Statement/Assessment scoping note, per revision (major development)	£630.00	£656.25	**4.2%**
Review and written response to Transport Statement/Assessment scoping note, per revision (large-scale major development)	£1,080.00	£1,125.00	**4.2%**
TRAFFIC REGULATION ORDERS - PLANNED (TEMP OR PERMANENT)			
Administration & advertising costs	£1,847.00	£1,884.00	**2.0%**
TRAFFIC REGULATION ORDERS - NOTICES (TEMP - EMERGENCY)			
Administration fee & officer time	£347.00	£354.00	**2.0%**
SCAFFOLD LICENCE			
Initial 6 weeks	£73.00	£74.00	**1.4%**
Renewal subsequent 8 weeks	£73.00	£74.00	**1.4%**
Initial 6 weeks for 12m. length along the Public Highway	£214.00	£218.00	**1.9%**
Renewal subsequent 8 weeks for 12 meter length along Public Highway	£214.00	£218.00	**1.9%**
Manual renewal of Scaffolding licence for 8 weeks under 12 meter	£130.00	£130.00	**0.0%**
Manual renewal of scaffolding licence for 8 weeks over 12 meter	£390.00	£398.00	**2.1%**
SKIP LICENCE			
Returnable Deposit	£73.00	£74.00	**1.4%**
Deposit Processing Fees	£19.00	£19.00	**0.0%**
1 day Licence Standard Skip	£9.00	£9.00	**0.0%**
7 day Licence Standard skip	£29.00	£30.00	**3.4%**
28 day Licence Standard Skip	£55.00	£56.00	**1.8%**
1 day Licence Large Skip	£29.00	£30.00	**3.4%**
7 day Licence Large Skip	£55.00	£56.00	**1.8%**
28 day Licence Large Skip	£110.00	£112.00	**1.8%**
HOARDING			
Area of hoarding less than 10 square metres of ground plan - Initial 8 weeks			
Renewal subsequent 12 weeks per square metre			
Area of hoarding 10 square meters or more of ground plan - 12 weeks per sqaure metre			

Appendix 1 - Proposed City Transport (Highways) Fees and Charges 2020/21

	2019/20	2020/21	
	Actual Charge	**Proposed Charge**	**Change %**
Area of Hoarding per square metre initial 6 week application	£26.00	£27.00	**3.8%**
Area of Hoarding per square metre renewal 8 week application	£26.00	£27.00	**3.8%**
BUILDING MATERIALS			
Per week	£34.00	£35.00	**2.9%**
Secure Hazardous Waste, Lockable Storage Containers, Temporary offices, Welfare facilities and Asbestos removal, decontamination units per square metre	£24.00	£24.00	**0.0%**
Crane. Tower cranes, mobile work platforms on the highway.	£100.00	£102.00	**2.0%**
OBJECTS ON THE HIGHWAY			
TABLES AND CHAIRS, SHOP DISPLAY ETC			
Initial application less than 5 square metres	£176.00	£180.00	**2.3%**
Initial application 5 square metres or greater	£360.00	£367.00	**1.9%**
Annual renewal fee per square metre	£25.00	£26.00	**4.0%**
A-BOARD LICENCE			
New application first year	£111.00	£113.00	**1.8%**
Annual renewal fee	£77.00	£79.00	**2.6%**
OTHER FEES			
Highway Licence detail changes	£30.00	£31.00	**3.3%**
One off promotions per square metre	£30.00	£31.00	**3.3%**
Temporary Event Advertising Signs - first 50 (each)	£10.00	£10.00	**0.0%**
Temporary Event Advertising Signs - over 50 (each)	£5.00	£5.00	**0.0%**
SIGNS			
Brown Tourist signs	£189.00	£193.00	**2.1%**
Neighbourhood watch signs	£40.00	£41.00	**2.5%**
CULTIVATION LICENCE			
Licence for individuals who wish to cultivate a highway verge or other highway green space adjacent to their property.	£36.00	£37.00	**2.8%**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
Car parks			
Black Rock Car Park			
1 hour	£1.00	£1.10	**10.0%**
2 hours	£2.00	£2.20	**10.0%**
3 hours	£4.00	£4.40	**10.0%**
4 hours	£5.00	£5.50	**10.0%**
9 hours	£6.00	Delete	**N/A**
11 Hours	New	£7.20	**N/A**
King Alfred Car Park			
1 hour	£1.60	£1.80	**12.5%**
2 hours	£2.00	£2.50	**25.0%**
3 hours	£3.00	£3.50	**16.7%**
4 hours	£4.00	£4.50	**12.5%**
Annual season ticket	£780.00	£800.00	**2.6%**
Rottingdean Marine Cliffs Car Park			
1 hour	£1.00	£1.10	**10.0%**
2 hours	£2.00	£2.20	**10.0%**
4 hours	New	£4.00	**N/A**
11 hours	£3.00	£5.00	**66.7%**
Quarterly season ticket	£52.00	£60.00	**15.4%**
Norton Road Car Park			
1 hour	£1.00	£1.10	**10.0%**
2 hours	£2.00	£2.20	**10.0%**
4 hours	£3.50	£3.50	**0.0%**
5 hours	£4.50	£4.50	**0.0%**
9 hours	£5.50	£5.50	**0.0%**
12 hours	£6.50	£6.50	**0.0%**
Annual season ticket	£780.00	£800.00	**2.6%**
Staff annual permit	New	£400.00	**N/A**
Oxford Court Car Park			
2 hours	£3.00	£3.00	**0.0%**
4 hours	£8.00	£8.00	**0.0%**
9 hours	£10.00	£10.00	**0.0%**
24 hours	£18.00	£18.00	**0.0%**
Annual season ticket	£780.00	£780.00	**0.0%**
Rottingdean West Street Car Park			
1 hour	£1.00	£1.10	**10.0%**
2 hours	£2.00	£2.20	**10.0%**
3 hours	£3.00	£3.30	**10.0%**
The Lanes Car Park			
Weekday 1 hour	£2.00	£3.00	**50.0%**
Weekday 2 hours	£6.00	£6.00	**0.0%**
Weekday 4 hours	£14.00	£14.00	**0.0%**
Weekday 9 hours	£20.00	£20.00	**0.0%**
Weekday 24 hours/Lost ticket	£23.00	£23.00	**0.0%**
Weekend - 1 hour	£4.00	£4.00	**0.0%**
Weekend - 2 hours	£8.00	£8.00	**0.0%**
Weekend - 4 hours	£15.00	£15.00	**0.0%**
Weekend - 9 hours	£20.00	£20.00	**0.0%**
Weekend - 24 hours/Lost ticket	£25.00	£25.00	**0.0%**
Evenings 18.00 – 24.00	£4.50	£4.50	**0.0%**
Night 24.00 – 11.00	£5.00	£5.00	**0.0%**
Lost ticket administration fee	£5.00	£5.00	**0.0%**
Annual season ticket	£2,500.00	£2,500.00	**0.0%**
Reduced charge annual season ticket - residents permit waiting list 16.00 -11.00 Mon-Fri (Zone Z only)	£1,500.00	£1,500.00	**0.0%**
London Road Car Park			
1 hour	£1.50	£1.50	**0.0%**
2 hours	£3.00	£3.00	**0.0%**
4 hours	£6.00	£6.00	**0.0%**
9 hours	£9.00	£9.00	**0.0%**
24 hours	£15.00	£15.00	**0.0%**
Lost ticket	£15.00	£15.00	**0.0%**
Evenings 18.00 - 24.00	£4.50	£4.50	**0.0%**
Night 24.00 – 11.00	£5.00	£5.00	**0.0%**
Lost ticket administration fee	£5.00	£5.00	**0.0%**
Weekly	£55.00	£55.00	**0.0%**
Annual season ticket	£1,200.00	£1,200.00	**0.0%**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
Annual season ticket - Reduced Rate for Area Y permit holders and businesses of New England House, City Point or One Brighton	£800.00	£800.00	**0.0%**
Reduced charge Annual season ticket - Residents permit waiting list (Zone Y) 16.00-11.00 Mon-Fri	£420.00	£420.00	**0.0%**
Quarterly season ticket	£400.00	£400.00	**0.0%**
Regency Square Car Park			
1 hour	£2.00	£2.50	**25.0%**
2 hours	£4.50	£5.00	**11.1%**
4 hours	£10.00	£10.00	**0.0%**
9 hours	£13.00	£14.00	**7.7%**
24 hours/Lost ticket	£18.00	£20.00	**11.1%**
Evenings 18.00 - 24.00	£4.50	£4.50	**0.0%**
Night 24.00 – 11.00	£5.00	£5.00	**0.0%**
Lost ticket administration fee	£5.00	£5.00	**0.0%**
Weekly season ticket	£60.00	£60.00	**0.0%**
Quarterly season ticket	£300.00	£300.00	**0.0%**
Annual season ticket	£1,000.00	£1,000.00	**0.0%**
Commercial season ticket annual	£1,200.00	£1,200.00	**0.0%**
Reduced Annual Season ticket - Residents permit waiting list 16.00-11.00 Mon-Fri (Zone M)	£750.00	£750.00	**0.0%**
Trafalgar Street Car Park			
1 hour	£3.00	£3.00	**0.0%**
2 hours	£6.00	£6.00	**0.0%**
4 hours	£9.00	£9.00	**0.0%**
6 hours	£10.00	£10.00	**0.0%**
9 hours	£12.00	£12.00	**0.0%**
24 hours/Lost ticket	£16.00	£16.00	**0.0%**
Weekend - 1 hour	£2.50	£2.50	**0.0%**
Weekend - 2 hours	£4.50	£4.50	**0.0%**
Weekend - 4 hours	£8.00	£8.00	**0.0%**
Weekend - 6 hours	£10.00	£10.00	**0.0%**
Weekend - 9 hours	£12.00	£12.00	**0.0%**
Weekend - 24 hours / Lost ticket	£18.00	£18.00	**0.0%**
Evenings 18.00 - 24.00	£4.50	£4.50	**0.0%**
Night 24.00 – 11.00	£5.00	£5.00	**0.0%**
Lost ticket administration fee	£5.00	£5.00	**0.0%**
Quarterly season ticket	£400.00	£400.00	**0.0%**
Annual season ticket	£1,200.00	£1,200.00	**0.0%**
Reduced Annual Season Ticket - Residents permit waiting list (Zone Y) 16.00-11.00 Mon-Fri	£750.00	£750.00	**0.0%**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
On-street Pay & Display			
HIGH TARIFF			
Zone Y - Central Brighton North			
1 hour	£3.60	£3.60	**0.0%**
2 hours	£6.20	£6.20	**0.0%**
4 hours	£10.40	£10.40	**0.0%**
Zone Z - Central Brighton South			
1 hour	£3.60	£3.60	**0.0%**
2 hours	£7.00	£7.00	**0.0%**
4 hours	£11.00	£11.00	**0.0%**
MEDIUM TARIFF			
Zone Y - Central Brighton North (Cheapside, The Level, Dyke Road)			
1 hour	£2.00	£2.00	**0.0%**
2 hours	£4.50	£4.50	**0.0%**
4 hours	£6.50	£6.50	**0.0%**
Zone M			
1 hour	£2.00	£2.00	**0.0%**
2 hours	£4.50	£4.50	**0.0%**
4 hours	£6.50	£6.50	**0.0%**
11 hours	£10.40	£10.40	**0.0%**
Zone N (Seafront section)			
1 hour	£2.00	£2.00	**0.0%**
2 hours	£4.50	£4.50	**0.0%**
4 hours	£6.50	£6.50	**0.0%**
11 hours	£10.40	£10.40	**0.0%**
LOW TARIFF			
Zone A - Preston Park Station			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone C - Queen's Park			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone E - Preston Park Station North			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone F - Fiveways			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone G - Hollingbury Road & Ditchling Gardens			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone H - Kemp Town			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone I - Craven Vale			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone J - London Road Station			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone K- Preston Village			
1 hour	£1.00	£1.00	**0.0%**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone N - Central Hove			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone O - Goldsmid			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone Q - Prestonville			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone R - Westbourne			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone T - Hove Station Area			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone W - Westbourne West / Wish park			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.00	£4.00	**0.0%**
11 hours	£5.50	£5.50	**0.0%**
Zone Y- Central Brighton North (Dyke Road)			
1 hour	£1.00	Delete	**N/A**
2 hours	£2.00	Delete	**N/A**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
Seafront Pay & Display			
HIGH TARIFF			
Seafront Inner - Madeira Drive (1 March - 31 October) (West of Arch 83/84)			
1 hour	£3.50	£3.60	**2.9%**
2 hours	£6.00	£7.00	**16.7%**
4 hours	£11.00	£11.20	**1.8%**
11 hours	£16.00	£17.00	**6.3%**
Seafront Inner - Marine Parade [West of Burlington Street]			
1 hour	£3.50	£3.60	**2.9%**
2 hours	£6.00	£7.00	**16.7%**
4 hours	£11.00	£11.20	**1.8%**
11 hours	£16.00	£17.00	**6.3%**
Seafront Inner - King's Road			
1 hour	£3.50	£3.60	**2.9%**
2 hours	£6.00	£7.00	**16.7%**
4 hours	£11.00	£11.20	**1.8%**
11 hours	£16.00	£17.00	**6.3%**
MEDIUM TARIFF			
Seafront Inner - New Steine			
1 hour	£2.00	£2.00	**0.0%**
2 hours	£4.50	£4.50	**0.0%**
4 hours	£6.20	£6.20	**0.0%**
11 hours	£10.40	£10.40	**0.0%**
LOW TARIFF			
Seafront Outer - Madeira Drive [East of Arch 83/84]			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.20	£4.20	**0.0%**
11 hours	£7.20	£7.20	**0.0%**
Seafront Inner - Madeira Drive (1 Nov - 28/29 Feb) [West of 83/84]			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.20	£4.20	**0.0%**
11 hours	£7.20	£7.20	**0.0%**
Rottingdean High Street			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
3 hours	£3.20	£3.20	**0.0%**
Roedean Road			
1 hour	£1.00	£1.00	**0.0%**
2 hours	£2.00	£2.00	**0.0%**
4 hours	£4.20	£4.20	**0.0%**
Madeira Drive Coach Park			
4 hours	£9.00	£9.00	**0.0%**
8 hours	£16.00	£16.00	**0.0%**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
Permits and Other			
Residents permits - Full scheme (Zones A,C,E,F,G,H,I,J,K, M,N,O,Q,R,T,V,Y,Z)			
Resident permit per household - 3 months (full scheme) (50% discount for low emission/25% increase for high emission)	£45.00	£45.00	**0.0%**
Further (second and additional) resident permit per household - 3 months (full scheme) (£20 surcharge)	New	£65.00	**N/A**
Resident permit per household - 1 year (full scheme) (50% discount for low emission/25% increase for high emission)	£130.00	£150.00	**15.4%**
Further (second and additional) resident permit per household - 1 year (full scheme) (£80 Surcharge)	New	£230.00	**N/A**
Visitor permit (full schemes apart from zones M,Y,Z)	£3.50	£3.50	**0.0%**
Visitor permit (zones M,Y,Z)	£4.50	£4.50	**0.0%**
Residents permits - Light touch (Zones L,S,P,W)			
Resident permit per household - 6 months (full scheme) (50% discount for low emission/25% increase for high emission)	£60.00	£60.00	**0.0%**
Further (second and additional) resident permit per household - 6 months (full scheme) (£35 surcharge)	New	£95.00	**N/A**
Resident permit per household - 1 year (full scheme) (50% discount for low emission/25% increase for high emission)	£100.00	£110.00	**10.0%**
Further (second and additional) resident permit per household - 1 year (£70 Surcharge)	New	£180.00	**N/A**
Visitor permit	£2.20	£2.50	**13.6%**
Business Permits			
One year (50% discount for low emission/25% increase for high emission)	£350.00	£400.00	**14.3%**
3 months (50% discount for low emission/25% increase for high emission)	£100.00	£115.00	**15.0%**
Traders Permits			
One year (50% discount for low emission/25% increase for high emission)	£700.00	£800.00	**14.3%**
3 months (50% discount for low emission/25% increase for high emission)	£200.00	£250.00	**25.0%**
1 month (50% discount for low emission/25% increase for high emission)	New	£150.00	**N/A**
1 week (50% discount for low emission/25% increase for high emission)	New	£50.00	**N/A**
Waivers (1 day) (To become 1 day Trader permit)	£10.00	£10.00	**0.0%**
Hotel Permits			
Area C (24 hours)	£8.00	£8.00	**0.0%**
Area N (1 day)	£3.50	£3.50	**0.0%**
School Permits			
3 months	£50.00	£50.00	**0.0%**
One year	£150.00	£150.00	**0.0%**
Doctors Permits (new rules that allow them flexibility to park in any shared or exclusive paid bay as businesses)	£100.00	£200.00	**100.0%**
Car Club (1 year) (any vehicle)	£25.00	£25.00	**0.0%**
Professional Carers (1 year)	£52.00	£52.00	**0.0%**
Carers Permits (not professional)	£10.00	£10.00	**0.0%**
Dispensations (1 year)	£40.00	£40.00	**0.0%**
Suspensions			
Suspensions - daily charge for non utilities	£40.00	£40.00	**0.0%**
Suspensions - Community Events (daily charge for attendance 15k or less)	£20.00	£20.00	**0.0%**
Suspensions - Utilities in zones M,Y,Z (longer than 4 weeks increases to £80)	£60.00	£60.00	**0.0%**
Suspensions - Utilities in all zones except M,Y,Z (longer than 4 weeks increases to £60)	£50.00	£50.00	**0.0%**
Suspensions - administrative charge (50% reduction for residents)	£30.00	£30.00	**0.0%**
Suspensions - amendment / cancellation fee	£25.00	£25.00	**0.0%**
Suspensions - daily charge for skips (longer than 4 weeks £25)	£20.00	£20.00	**0.0%**
Suspensions - daily charge for building works (longer than 4 weeks £50)	£40.00	£40.00	**0.0%**
Administration fees			
Change of CPZ	£10.00	£10.00	**0.0%**
Surrender of Permit (remove)	£10.00	£10.00	**0.0%**
Change of Vehicle	£10.00	£10.00	**0.0%**
Replacement Permit	£10.00	£10.00	**0.0%**
Issue of resident permit to Blue Badge holder	£15.00	£15.00	**0.0%**
Issue of resident permit to Blue Badge holder (low emission)	£10.00	£10.00	**0.0%**
Issue of Blue Badge	£10.00	£10.00	**0.0%**
Blue Badge Bay Application fee	£11.00	£11.00	**0.0%**
Blue Badge Bay - Individual disabled bay	£102.00	£102.00	**0.0%**
Zone B & D Permits (Event parking)			
Resident permit	£0.00	£0.00	**0.0%**
Business permit	£0.00	£0.00	**0.0%**
Carer	£0.00	£0.00	**0.0%**
School permit	£0.00	£0.00	**0.0%**
Resident annual visitor (transferable) (guest)	£0.00	£50.00	**N/A**

Appendix 2 - Proposed City Transport (Parking) Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
Resident visitor (one day)	£2.60	£3.50	**34.6%**
Change of vehicle	£10.00	£10.00	**0.0%**
Replacement permit	£10.00	£10.00	**0.0%**
Lining			
Access Protection White Lines (per metre)	£12.00	£12.00	**0.0%**
Replacing lining after crossover work (per metre)	£12.00	£12.00	**0.0%**
Traffic Regulation Order for new parking restriction outside Controlled Parking Zones			
Administration, advertising costs, officer site visits, signing and lining costs	£2,000.00	£2,000.00	**0.0%**
Additional Search Enquiries			
Solicitors and other agency queries per question	£40.00	£40.00	**0.0%**

Appendix 3 - Proposed City Environmental Management Fees and Charges 2020/21

	2019/20	2020/21	
	Charge	Proposed Charge	Change
CITY PARKS			
Allotments Rents per square metre - 25% discount to allotment rent for senior citizens, full-time students, unemployed, disabled and community groups	£0.3231	£0.3296	**2.0%**
Allotments Waiting List Application	£16.90	£17.20	**1.8%**
Dedicated Benches	£1,064.40	£1,085.70	**2.0%**
Plaques for dedicated benches - includes engraving of 50 letters. Any additional engraving costs 85p+VAT per letter.	£135.30	£138.00	**2.0%**
New Tree Planting - dedicate a tree	£326.70	£333.20	**2.0%**
Copy of Tree preservation order (TPO)	£35.40	£36.10	**2.0%**
BOWLS			
Per person per hour - Casual	£3.30	£3.40	**3.0%**
Concessionary per hour - Compass Card, Over 65s, unemployed (casual)	£2.20	£2.20	**0.0%**
Club session - Outside area club	£4.70	£4.80	**2.1%**
Club concessionary session - Compass Card, Over 65s, unemployed, outside area club	£3.60	£3.70	**2.8%**
Season ticket - adult unattended green	£85.60	£87.30	**2.0%**
Season ticket - junior	£61.30	£62.50	**2.0%**
Hire of woods	£3.30	£3.40	**3.0%**
Pavilion - evening committee meetings	£34.70	£35.40	**2.0%**
CRICKET			
Adult (wicket only)	£56.70	£57.80	**1.9%**
Junior (wicket only)	£30.10	£30.70	**2.0%**
Changing facilities	£34.70	£35.40	**2.0%**
Training strip - Aldrington	£18.10	£18.50	**2.2%**
STALLBALL, SOFTBALL & ROUNDERS			
First match booked	£27.30	£27.80	**1.8%**
Subsequent matches	£16.70	£17.00	**1.8%**
CYCLING			
Preston Park Cycle Track per hour - Club Events	£31.80	£32.40	**1.9%**
Preston Park Cycle Track per hour - Commercial Events	£53.00	£54.10	**2.1%**
Club season (once a week 2.5hrs for 3 months) [VAT exempt]	£175.80	£179.30	**2.0%**
TENNIS			
Adult court per hour	£8.40	£8.60	**2.4%**
Junior court per hour (under 18's)	£4.40	£4.50	**2.3%**
Concessionary court per hour Compass Card, Over 65s, unemployed	£7.90	£8.10	**2.5%**
Junior court per hour weekday before 5 (including summer holidays)	£2.20	£2.20	**0.0%**
Concessionary court per hour weekday before 5 (including summer holidays)	£3.80	£3.90	**2.6%**
Season ticket	£98.80	£100.80	**2.0%**
Junior season ticket	£15.10	£15.40	**2.0%**
Club season ticket	£33.70	£34.40	**2.1%**
FOOTBALL			
Adult (pitch only)	£58.30	£59.50	**2.1%**
Changing facilities	£34.70	£35.40	**2.0%**
Junior (pitch only)	£16.70	£17.00	**1.8%**
Changing facilities	£34.70	£35.40	**2.0%**
Junior training, no requirements	£15.60	£15.90	**1.9%**
5/7-a-side @Preston/Waterhall (per pitch)	£47.10	£48.00	**1.9%**
PAVILIONS			
Pavilion -Casual per day	£115.60	£117.90	**2.0%**
Play group Mile Oak per half day [always VAT exempt]	£15.60	£15.90	**1.9%**
Table Tennis Mile Oak per evening [VAT exempt]	£26.00	£26.50	**1.9%**
RENTS			
Waterhall [Brighton Rugby Club VAT exempt]	£4,215.70	£4,300.00	**2.0%**
Patcham Utd (Horsdean pitch + pavilion season)	£2,015.50	£2,055.80	**2.0%**
Queens Park tennis club (Clubhouse + Courts)	£9,966.40	£10,165.70	**2.0%**
Brighton & Hove Cricket Club - Pitch	£777.80	£793.40	**2.0%**
Brighton & Hove Cricket Club - Clubroom	£777.80	£793.40	**2.0%**
Rottingdean croquet club	£1,178.30	£1,201.90	**2.0%**
MISCELLANEOUS			
Hot Air Ballooning (flat year rate)	£319.00	£325.40	**2.0%**
Cross Country (flat rate, no facilities)	£36.10	£36.80	**1.9%**
School Sports (Initial 8x100m) [VAT exempt]	£74.20	£75.70	**2.0%**
School Sports (overmarking) [VAT exempt]	£27.60	£28.20	**2.2%**

Appendix 3 - Proposed City Environmental Management Fees and Charges 2020/21

	2019/20	2020/21	
	Charge	**Proposed Charge**	**Change**
CAR PARKING IN PARKS*			
East Brighton Car Park			
Up to 1 hour	£0.50	£1.00	**100.0%**
Up to 2 hours	£1.00	£1.50	**50.0%**
Up to 4 hours	£2.00	£2.50	**25.0%**
Up to 6 hours	£3.00	£5.00	**66.7%**
Preston Park Car Park			
Up to 1 hour	£0.50	£1.00	**100.0%**
Up to 2 hours	£1.00	£1.50	**50.0%**
Up to 4 hours	£2.00	£2.50	**25.0%**
Up to 6 hours	£3.00	£5.00	**66.7%**
Stanmer Park (Upper Lodges, Chalkhill, Lower Lodges)			
Up to 1 hour	New	£1.00	**N/A**
Up to 2 hours	New	£1.50	**N/A**
Up to 4 hours	New	£2.50	**N/A**
Up to 6 hours	New	£5.00	**N/A**
Stanmer Park (Patchway)			
Up to 1 hour	New	£1.50	**N/A**
Up to 2 hours	New	£2.50	**N/A**
Up to 4 hours	New	£3.50	**N/A**
Up to 6 hours	New	£6.00	**N/A**
FLYERING LICENCES			
Standard Annual License - Can operate between 07:00 and 19:00	£111.30	£113.50	**2.0%**
Premium Annual License - Can operate 24 hours	£166.50	£169.80	**2.0%**
Standard 28 Day Licence - Can operate between 07:00 and 19:00	£56.20	£57.30	**2.0%**
Premium 28 Day Licence - Can operate 24 hours	£84.30	£86.00	**2.0%**
Standard Annual Renewal	£78.00	£79.60	**2.1%**
Premium Annual Renewal	£166.50	£169.80	**2.0%**
Fringe Badge	£29.20	£29.80	**2.1%**
Additional Badge (cost per badge)	£29.20	£29.80	**2.1%**
CITY CLEAN			
Annual Green (Garden) Waste Collection	£52.00	£60.00	**15.4%**

*Stanmer Park proposed car parking charges are subject to the implementation of the Stanmer Park Traffic Regulation Order.

Appendix 4 - Proposed Safer Communities Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
TRADING STANDARDS			
Buy with Confidence (1-5 Employees)	£142.00	£145.00	**2.1%**
Buy with Confidence (6-20 Employees)	£212.00	£216.00	**1.9%**
Buy with Confidence (over 21 Employees)	£284.00	£290.00	**2.1%**
LICENCE TO STORE EXPLOSIVES			
Licence to store explosives where, by virtue of regulation 27 of, and Schedule 5 to, the 2014 Regulations, a minimum separation distance of greater than 0 metres is prescribed. Fees are set by the Health and Safety Executive.			
1 Year	£185.00	£185.00	N/A
2 Years	£243.00	£243.00	N/A
3 Years	£304.00	£304.00	N/A
4 Years	£374.00	£374.00	N/A
5 Years	£423.00	£423.00	N/A
Renewal of licence to store explosives where a minimum separation distance of greater than 0 metres is prescribed. Fees are set by the Health and Safety Executive.			
1 Year	£86.00	£86.00	N/A
2 Years	£147.00	£147.00	N/A
3 Years	£206.00	£206.00	N/A
4 Years	£266.00	£266.00	N/A
5 Years	£326.00	£326.00	N/A
Licence to store explosives where no minimum separation distance or a 0 metres separation distance is prescribed. Fees are set by the Health and Safety Executive.			
1 Year	£109.00	£109.00	N/A
2 Years	£141.00	£141.00	N/A
3 Years	£173.00	£173.00	N/A
4 Years	£206.00	£206.00	N/A
5 Years	£238.00	£238.00	N/A
Renewal of licence to store explosives where no minimum separation distance or a 0 metres minimum separation distance is prescribed. Fees are set by the Health and Safety Executive.			
1 Year	£54.00	£54.00	N/A
2 Years	£86.00	£86.00	N/A
3 Years	£120.00	£120.00	N/A
4 Years	£152.00	£152.00	N/A
5 Years	£185.00	£185.00	N/A
Varying the name of licensee or address of site. Fee set by the Health and Safety Executive.	£36.00	£36.00	N/A
Transfer of licence. Fee set by the Health and Safety Executive.	£36.00	£36.00	N/A
Replacement of licence if lost. Fee set by the Health and Safety Executive.	£36.00	£36.00	N/A
Licence to store petroleum, as per Provision of the Petroluem (Consolidation) Regulations 2014 under which a fee is payable . Fees are set by the Health and Safety Executive			
Storage Certificate			
Not exceeding 2,500 litres	£44.00	£44.00	N/A
Exceeding 2,500 litres but not exceeding £50,000 litres	£60.00	£60.00	N/A
Exceeding £50,000 litres	£125.00	£125.00	N/A
Licence to keep petrol of a quantity:			
Not exceeding 2,500 litres	£44.00	£44.00	N/A
Exceeding 2,500 litres but not exceeding £50,000 litres	£60.00	£60.00	N/A
Exceeding £50,000 litres	£125.00	£125.00	N/A
Weights and Measures			
Weights and Measures verification fees officer time per hour	£81.00	£83.00	**2.5%**
Weights and Measures verification fees NAWI under 1 tonne	£63.00	£64.00	**1.6%**
Weights and Measures verification fees weights over 5kg under 500mg	£11.00	£11.00	**0.0%**
Weights and Measures verification fees other weights	£9.00	£9.00	**0.0%**
Weights and Measures verification fees liquid fuel first nozzle	£126.00	£129.00	**2.4%**
Weights and Measures verifications fees liquid fuel additional nozzle	£79.00	£81.00	**2.5%**

Appendix 4 - Proposed Safer Communities Fees and Charges 2020/21			
	2019/20	2020/21	
	Charge	Proposed Charge	Change %
LOCAL AUTHORITY POLLUTION PREVENTION AND CONTROL			
Application Fee:			
Standard process (includes solvent emission activities)	Set nationally by DEFRA		
Additional fee for operating without a permit	Set nationally by DEFRA		
PVRI, SWOBs and Dry Cleaners	Set nationally by DEFRA		
PVR I and II combined	Set nationally by DEFRA		
VRs and other Reduced Fee Activities	Set nationally by DEFRA		
Reduced fee activates: Additional fee for operating without a permit	Set nationally by DEFRA		
Mobile plant (not using simplified permits):			
for the first and second permits	Set nationally by DEFRA		
for the third to seventh applications	Set nationally by DEFRA		
for the eight and subsequent applications	Set nationally by DEFRA		
Note: where an application for any of the above is for combined Part B and waste application, add an extra £297 to the above amounts.			
Annual Subsistence Charge:			
Standard process Low	Set nationally by DEFRA		
Standard process Medium	Set nationally by DEFRA		
Standard process High	Set nationally by DEFRA		
PVRI, SWOBs and Dry Cleaners Low/Medium/High	Set nationally by DEFRA		
PVR I & II combined Low/Medium/High	Set nationally by DEFRA		
Vehicle refinishers and other reduced fees Low/Medium/High	Set nationally by DEFRA		
Mobile plant, for the first and second permits Low/Medium/High	Set nationally by DEFRA		
for the third to seventh applications Low/Medium/High	Set nationally by DEFRA		
eighth and subsequent permits Low/Medium/High	Set nationally by DEFRA		
Late Payment Fee	Set nationally by DEFRA		
the additional amounts in brackets above must be charged where a permit is for a combined Part B and waste installation			
Where a Part B installation is subject to reporting under the E-PRTR Regulation, add an extra £99 to the above amounts:			
Pollution Release and Transfer Register			
Application	Set nationally by DEFRA		
Additional fee for operating without a permit	Set nationally by DEFRA		
Annual Subsistence Low	Set nationally by DEFRA		
Annual Subsistence Medium	Set nationally by DEFRA		
Annual Subsistence High	Set nationally by DEFRA		
Late Payment Fee	Set nationally by DEFRA		
Substational Variation	Set nationally by DEFRA		
Transfer	Set nationally by DEFRA		
Partial transfer	Set nationally by DEFRA		
Surrender	Set nationally by DEFRA		
Transfer and Surrender:			
Standard process transfer	Set nationally by DEFRA		
Standard process partial transfer	Set nationally by DEFRA		
New Operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15 (2) of charging scheme)	Set nationally by DEFRA		
Surrender: all Part B activities	Set nationally by DEFRA		
Reduced fee activities: transfer	Set nationally by DEFRA		
Reduced fee activities: partial transfer	Set nationally by DEFRA		
Temporary transfer for mobiles:			
First transfer	Set nationally by DEFRA		
repeat following enforcement or warning	Set nationally by DEFRA		
Substantial Change:			
Standard process	Set nationally by DEFRA		
Standard process where the substantial change results in a new PPC activity	Set nationally by DEFRA		
Reduced fee activities	Set nationally by DEFRA		
OTHER FEES			
Language school inspection	£89.00	£91.00	**2.2%**
Information to solicitors	£151.00	£154.00	**2.0%**

Appendix 4 - Proposed Safer Communities Fees and Charges 2020/21

	2019/20	2020/21	
	Charge	Proposed Charge	Change %
FOOD PREMISES REGISTER			
Signal page copy	£9.00	£9.00	**0.0%**
Copy containing information regarding particular category (by hand)	£93.00	£95.00	**2.2%**
Copy containing information regarding particular category (by post)	£153.00	£156.00	**2.0%**
Full copy of register (by hand)	£285.00	£291.00	**2.1%**
Full copy of register (by post)	£304.00	£310.00	**2.0%**
Food Hygiene Rating Scheme (FHRS) re-inspection of premises requested by businesses	£151.00	£154.00	**2.0%**
ANIMAL WELFARE			
Collection of reclaimed dogs:			
Statutory charge (set by government)	£25.00	£25.00	**N/A**
dog warden charges (includes VAT)	£29.00	£30.00	**3.4%**
kennelling per day (includes VAT)	£29.00	£30.00	**3.4%**
administration charge (includes VAT)	£16.00	£16.00	**0.0%**
Vaccination (includes VAT)	£27.00	£28.00	**3.7%**
Dog Control Fixed penalty	£84.00	£86.00	**2.4%**
Noise Pollution - Domestic - Fixed Penalty	£104.00	£106.00	**1.9%**
Noise Pollution - Commercial - Fixed Penalty	£520.00	£530.00	**1.9%**
Domestic Dog Boarding	These licence fees were reported and agreed at Licensing Committee on 28/11/19.		
Commercial Dog Boarding			
Cat Boarding			
Domestic Dog Breeding			
Commercial Dog Breeding			
Dog Day Care			
Pet Vending			
Exhibition of Animals			
Hiring Horses			
Variation/transfer of licence			
Appeals/site visit			
Dangerous Wild Animals	£260.00	£265.00	**1.9%**
Export Licences	£62.00	£63.00	**1.6%**
Zoo	£5,405.00	£5,513.00	**2.0%**
Zoo (with dispensation)	£3,004.00	£3,064.00	**2.0%**
HEALTH PROMOTION / EDUCATION			
Training Courses:			
Food Safety Level 2 (previously Basic Food Hygiene)	£70.00	£71.00	**1.4%**
Intermediate Food Hygiene	£143.00	£146.00	**2.1%**
Food Safety Level 2 retake of exam	£32.00	£33.00	**3.1%**
Level 1 course for 10 people	P.O.A	P.O.A	**N/A**
Level 1 course for 15 people	P.O.A	P.O.A	**N/A**
ENVIRONMENTAL HEALTH			
Contaminated Land Environmental Information Regulations Request (per hour)	£28.00	£29.00	**3.6%**
WORKS IN DEFAULT			
Environmental Health Manager	£94.00	£96.00	**2.1%**
Senior EHO per hour	£87.00	£89.00	**2.3%**
EHO/Senior Technical Officer	£77.00	£79.00	**2.6%**
Technical Officer per hour	£71.00	£72.00	**1.4%**
Admin staff per hour	£42.00	£43.00	**2.4%**

Appendix 4 - Proposed Safer Communities Fees and Charges 2020/21

	2019/20	2020/21	
	Charge	Proposed Charge	Change %
PEST CONTROL			
Call out charge for pest control	£52.00	£53.00	**1.9%**
Wildlife Advice Service	£52.00	£53.00	**1.9%**
Pest Control Self Help Kits (including postage and packaging)	£27.00	£28.00	**3.7%**
Pest Control Self Help Kits (including postage and packaging) including natural chemical	£27.00	£28.00	**3.7%**
Air Vent Fitting Service - small (10in x 4in)	£23.00	£23.00	**0.0%**
Air Vent Fitting Service - medium (10in x 7in)	£27.00	£28.00	**3.7%**
Air Vent Fitting Service - small and medium extra	£13.00	£13.00	**0.0%**
Air Vent Fitting Service - large (10in x 9in)	£30.00	£31.00	**3.3%**
Air Vent Fitting Service - large extra	£14.00	£14.00	**0.0%**
Rats and Mice - Residential (up to 3 visits)	£100.00	£102.00	**2.0%**
Rats and Mice - Residential (additional visit)	£36.00	£37.00	**2.8%**
Wasps - Residential	£67.00	£68.00	**1.5%**
Fleas (1-2 Bedroom property) - residential	£84.00	£86.00	**2.4%**
Fleas (3-4 Bedroom property) - residential	£104.00	£106.00	**1.9%**
Fleas (5+ Bedroom property) - residential	£146.00	£149.00	**2.1%**
Cockroaches (1-2 Bedroom property) - residential	£188.00	£192.00	**2.1%**
Cockroaches (3-4 Bedroom property) - residential	£250.00	£255.00	**2.0%**
Cockroaches (5+ Bedroom property) - residential	£322.00	£328.00	**1.9%**
Commercial per visit rate	£67.00	£68.00	**1.5%**
Squirrels in loft service	£166.00	£169.00	**1.8%**
Carpet moth treatment (1-2 Bedroom property) - residential	£84.00	£96.00	**14.3%**
Carpet moth treatment (3-4 Bedroom property) - residential	£104.00	£116.00	**11.5%**
Carpet moth treatment (5+ Bedroom property) - residential	£146.00	£159.00	**8.9%**
Mice humane trapping service	£281.00	£287.00	**2.1%**
Wasp catchers (include 1 visit each month for 3 months)	£156.00	£159.00	**1.9%**
Fox repellent service	£52.00	£53.00	**1.9%**
False Widow Spider treatment (1-2 Bedroom property) - residential	£84.00	£86.00	**2.4%**
False Widow Spider treatment (3-4 Bedroom property) - residential	£104.00	£106.00	**1.9%**
False Widow Spider treatment (5+ Bedroom property) - residential	£146.00	£149.00	**2.1%**

Appendix 5 - Proposed Travellers Sites Fees and Charges 2020/21

	2019/20	2020/21	
	Charge	**Proposed Charge**	**Change %**
Travellers Transit Site			
Weekly Rent per pitch	£71.46	£73.18	**2.4%**
Weekly Service Charges			
Litter Picking	£9.52	£9.75	**2.4%**
Grounds Maintenance	£1.87	£1.96	**5.0%**
Facilities Charges (including toilet/shower block)	£4.30	£4.52	**5.0%**
Water Charges	£8.31	£8.73	**5.0%**
Electricity Charges	£12.09	£12.69	**5.0%**
Total Weekly Service Charges	£36.09	£37.65	**4.3%**
Travellers Permanent Site			
Average Weekly Rent per pitch (Average across 12 pitches)	**£92.56**	**£94.78**	**2.4%**
- Pitch 1 - Size M	£90.03	£92.19	**2.4%**
- Pitch 2 - Size M	£90.03	£92.19	**2.4%**
- Pitch 3 - Size L	£96.38	£98.69	**2.4%**
- Pitch 4 - Size L	£96.49	£98.81	**2.4%**
- Pitch 5 - Size L	£96.49	£98.81	**2.4%**
- Pitch 6 - Size X/L	£103.36	£105.84	**2.4%**
- Pitch 7 - Size X/L	£103.36	£105.84	**2.4%**
- Pitch 8 - Size S	£86.14	£88.21	**2.4%**
- Pitch 9 - Size S	£86.14	£88.21	**2.4%**
- Pitch 10 - Size M	£90.03	£92.19	**2.4%**
- Pitch 11 - Size S	£86.14	£88.21	**2.4%**
- Pitch 12 - Size S	£86.14	£88.21	**2.4%**
Weekly Service Charges			
Litter Picking	£9.52	£9.75	**2.4%**
Grounds Maintenance	£1.63	£1.71	**5.0%**
Facilities Charges	£0.51	£0.54	**5.0%**
Total Weekly Service Charges	£11.66	£12.00	**2.9%**

Appendix 6 - Proposed Bereavement Services Fees and Charges 2020/21

Service	What is charged for	Fee 2019/20	Proposed Fee 2020/21	Percentage Increase/ Decrease
Cremation	Adult Cremation (18 and over)	£658	£691	5%
Cremation	Child Cremation (17 or below/Still-birth/Foetal remains)	No Charge	No Charge	No Charge
Cremation	Contract/Public Health Cremation (Early Service)	£457	£480	5%
Cremation	Cremation Only Unattended (No Service)	£377	£385	2%
Cremation	Cremation Only Attended (No Service)	£377	£385	2%
Cremation	Body Parts Cremation (No use of Chapel)	£104	£106	2%
Cremation	Use of Chapel on a Weekday (40 minutes in Chapel)	£180	£184	2%
Cremation	Additional Fee for Saturday Cremation	£244	£249	2%
Cremation	Additional Fee for Sunday or Bank Holiday Cremation	£475	£485	2%
Cremation	Visual Tributes Single Photo	£10	£11	5%
Cremation	Visual Tributes Simple Slideshow	£32	£33	5%
Cremation	Visual Tributes Professional Photo Tribute	£58	£61	5%
Cremation	Visual Tributes Checking for Supplied Video	£15	£16	5%
Cremation	Visual Tributes Copy of Tribute	£18	£23	30%
Cremation	Visual Tributes Each extra 25 Photos Or 30 Minutes Work	£18	£19	5%
Strewing Remains	Witnessed Strewing Person Cremated at Woodvale	No Charge	No Charge	No Charge
Strewing Remains	Witnessed Strewing Other Crematoria	£72	£73	2%
Strewing Remains	Witnessed Strewing At Woodland Valley	£93	£95	2%

Service	What is charged for	Fee 2019/20	Proposed Fee 2020/21	Percentage Increase/ Decrease
Strewing Remains	Witnessed Strewing Additional Charge for Saturday Morning	£91	£93	2%
Cremated Remains	Temporary storage per month (after first 3 months)	£34	£35	2%
Cremated Remains	Split of Cremated Remains (Per Casket)	£13	£14	5%
Certified Extract from Register	Certified Extract From Register of Cremations	£18	£19	3%
Certificate	Duplicate Cremation Certificate	£18	£19	3%
Hire of Chapel	Use of Chapel on a Saturday (40 minutes in Chapel)	£244	£249	2%
Hire of Chapel	Use of Chapel on a Sunday or Bank Holiday (40 minutes in Chapel)	£475	£485	2%
Grave Purchase	Adult	£698	£733	5%
Grave Purchase	Adult Woodland Burials	£792	£832	5%
Grave Purchase	Child Age limits vary For B&H - 17 and under	No Charge	No Charge	No Charge
Interment	Depth of 1	£947	£994	5%
Interment	Depth of 2	£947	£994	5%
Interment	Depth of 3	£947	£994	5%
Interment	Child Age limits vary For B&H - 17 and under	No Charge	No Charge	No Charge
Interment	Public Health	£457	£480	5%
Interment	Large Coffins Additional Fee	£113	£136	20%
Interment	Body Parts (No use of Chapel)	£143	£146	2%
Biodegradable Coffin	Greenfield Coffin Economy	£105	£105	0%
Biodegradable Coffin	Greenfield Coffin Oak	£145	£145	0%

Service	What is charged for	Fee 2019/20	Proposed Fee 2020/21	Percentage Increase/ Decrease
Biodegradable Coffin	Greenfield Coffin White	£120	£120	0%
Grave Purchase	Cremated Remains	£635	£648	2%
Grave Purchase	Cremated Remains Woodland Valley Natural Burial Site	£721	£735	2%
Cremated Remains Interment	Cremated Remains	£143	£146	2%
Cremated Remains Interment	Cremated Remains 2nd interment at same time	£71	£72	2%
Cremated Remains Interment	Additional Digging Fee Per Foot (After 3 Feet)	£66	£67	2%
Cremated Remains	Scattering Ashes On a Grave Mondays-Fridays	£93	£95	2%
Cremated Remains	Scattering Ashes On a Grave Additional Fee Saturdays	£252	£257	2%
Biodegradable Containers for Ashes Burials	Wooden Casket With Name Plate	£88	£90	2%
Biodegradable Containers for Ashes Burials	Wooden Casket (Double Size)	£132	£135	2%
Biodegradable Containers for Ashes Burials	NatureUrn® in Oatmeal or Green	£44	£45	2%
Biodegradable Containers for Ashes Burials	Brown Acorn Urn	£44	£45	2%
Biodegradable Containers for Ashes Burials	Woodvale Cardboard Casket (if not cremated at Woodvale)	£14	£15	5%
Certified Extract from Register	Certified Extract From Register of Burials	£18	£19	5%
Grave Deed	Transfer of Exclusive Right of Burial By Probate	£64	£65	2%
Grave Deed	Transfer of Exclusive Right of Burial By Statutory Declaration	£107	£109	2%
Grave Search	Prices from	£22	£23	5%
Interment Weekend Prices	Interment on Saturdays (Depth of 1, 2 or 3)	£329	£336	2%
Interment Weekend Prices	Interment on Sundays or Bank Holidays (Depth of 1, 2 or 3) Subject to staff availability	£329	£475	44%

Service	What is charged for	Fee 2019/20	Proposed Fee 2020/21	Percentage Increase/ Decrease
Interment Weekend Prices	Cremated Remains Interment on Saturdays	£277	£283	2%
Interment Weekend Prices	Cremated Remains Interment on Sundays or Bank Holidays Subject to staff availability	£277	£400	44%
Non Resident Charges	Method of Additional Charge (eg 2 x resident price)	x 2	x 2	x2
Memorial Permit Fee	Full Permit Adult Single Headstone	£115	£117	2%
Memorial Permit Fee	Full Permit Adult Double Headstone	£230	£235	2%
Memorial Permit Fee	Child's Grave	£52	£53	2%
Memorial Permit Fee	Tablet for Lawn Memorial Cemetery	£109	£111	2%
Memorial Permit Fee	Kerbset Including Headstone 7ft x 7ft	£253	£258	2%
Memorial Permit Fee	Kerbset Including Headstone 7ft x 3ft	£206	£210	2%
Memorial Permit Fee	Kerbset Including Headstone 4ft6ins x 2ft	£115	£117	2%
Memorial Permit Fee	Additional Cover Slab or Chippings	£119	£121	2%
Memorial Permit Fee	Additional Inscription Adult	£46	£47	2%
Memorial Permit Fee	Additional Inscription Child	£18	£19	3%
Memorial Permit Fee	Vase with Inscription	£59	£60	2%
Mortuary Fee	Forensic Post Mortem Out of Hours	£265	£450	70%
Mortuary Fee	High Risk Forensic Post Mortem Out of Hours	£753	£938	25%

All prices exclude VAT

Appendix 7 Bereavement Services - Summary Benchmarking Based on CIPFA Categories (Benchmarking at October 2019)
Proposed Fees & Charges Increases for those Categories

Service	Description	BHCC Current Fees from 01/04/19		Downs Fees from 01/05/19	Adur & Worthing Fees from 01/01/19	Eastbourne Fees from 01/04/19	Bournemouth Fees from 01/04/19	Poole Fees from 01/04/19	Hastings Fees from 01/01/19	Wealden Fees from 01/04/19	Clayton Wood Woodland Fees at 24/10/19
Cremation	Adult	658		658	895	715	744	755	750	849	N/A
Cremation	Direct/Contract (Early Slot)	377 to 457		499	330 to 685	N/A	519	510	450 to 619	453 420	N/A
Strewing Remains	Other Crematoria	72		N/A	45 to 130	30 to 90	49	51 to 222	51 to 121	50	150 to 225
Hire of Chapel	Weekday	180		329	265	180	115	275	126 to 178	250	100 to 300
Hire of Chapel	Weekend	244		658	625	N/A	N/A	N/A	N/A	350	375 to 445
Grave Purchase	Adult	698		N/A	860 to 880	935	865 to 1649	805 to 2,500	898 to 1448	N/A	N/A
Grave Purchase	Adult Woodland Burials	792		N/A	N/A	N/A	662	N/A	453	N/A	1,045 to 3,495
Grave Purchase	Child Age limits vary For B&H - 17 and under	0		N/A	0 to 130	360 to 467.50	293	510 to 600	0	N/A	550

Appendix 7 Bereavement Services - Summary Benchmarking Based on CIPFA Categories (Benchmarking at October 2019)
Proposed Fees & Charges Increases for those Categories

Service	Description	BHCC Current Fees from 01/04/19		Downs Fees from 01/05/19	Adur & Worthing Fees from 01/01/19	Eastbourne Fees from 01/04/19	Bournemouth Fees from 01/04/19	Poole Fees from 01/04/19	Hastings Fees from 01/01/19	Wealden Fees from 01/04/19	Clayton Wood Woodland Fees at 24/10/19
Interment	Depth of 1	947		N/A	1395	960	725	755	688	N/A	550
Interment	Depth of 2	947		N/A	1395	1045	725	755	688	N/A	N/A
Interment	Depth of 3	947		N/A	1640	N/A	725	1020	688	N/A	N/A
Interment	Child Age limits vary For B&H - 17 and under	0		N/A	0	0 Half Adult Fee	0	0	0	N/A	0
Grave Purchase	Cremated Remains	635		N/A	410	570	713	N/A	731	N/A	N/A
Grave Purchase	Cremated Remains Woodland Valley Natural Burial Site	721		N/A	N/A	N/A	N/A	N/A	N/A	N/A	775 to 2,072
Interment	Cremated Remains	143		N/A	295	210	235	220	121	N/A	195
Interment	Cremated Remains 2nd interment at same time	71		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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Proposed Fees & Charges Increases for those Categories

Service	Description	BHCC Current Fees from 01/04/19		Downs Fees from 01/05/19	Adur & Worthing Fees from 01/01/19	Eastbourne Fees from 01/04/19	Bournemouth Fees from 01/04/19	Poole Fees from 01/04/19	Hastings Fees from 01/01/19	Wealden Fees from 01/04/19	Clayton Wood Woodland Fees at 24/10/19
Grave Deed	Transfer of Exclusive Right of Burial By Probate	64		N/A	150	N/A	N/A	52	N/A	N/A	N/A
Grave Deed	Transfer of Exclusive Right of Burial By Statutory Declaration	107		N/A	150	N/A	N/A	52	N/A	N/A	N/A
Grave Search	Prices from	22		N/A	30	N/A	N/A	N/A	N/A	N/A	N/A
Interment Weekend Prices	Depth of 1	1276		N/A	1755	N/A	N/A	810	N/A	N/A	N/A
Interment Weekend Prices	Depth of 2	1276		N/A	1755	N/A	N/A	810	N/A	N/A	N/A
Interment Weekend Prices	Depth of 3	1276		N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interment Weekend Prices	Cremated Remains	912		N/A	442.5	N/A	N/A	300	N/A	N/A	N/A
Non Resident Charges	Method of Additional Charge (eg 2 x resident price)	x 2		N/A	2	2	2 1.5 for CR	2	2	N/A	N/A

Appendix 7 Bereavement Services - Summary Benchmarking Based on CIPFA Categories (Benchmarking at October 2019)
Proposed Fees & Charges Increases for those Categories

Service	Description	BHCC Current Fees from 01/04/19		Downs Fees from 01/05/19	Adur & Worthing Fees from 01/01/19	Eastbourne Fees from 01/04/19	Bournemouth Fees from 01/04/19	Poole Fees from 01/04/19	Hastings Fees from 01/01/19	Wealden Fees from 01/04/19	Clayton Wood Woodland Fees at 24/10/19
Memorial Permit Fee	Full Permit Adult Single Headstone	115		N/A	200	£50 to £150	145	142	97	N/A	N/A
Memorial Permit Fee	Additional Work (Additional Inscription)	46		N/A	70	£50	50	56	N/A	N/A	N/A
Memorial Permit Fee	Child's Grave	52		N/A	0 to 100	£50 to £55	0	N/A	N/A	N/A	N/A

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