





**Brighton & Hove
City Council**

Policy & Resources Committee

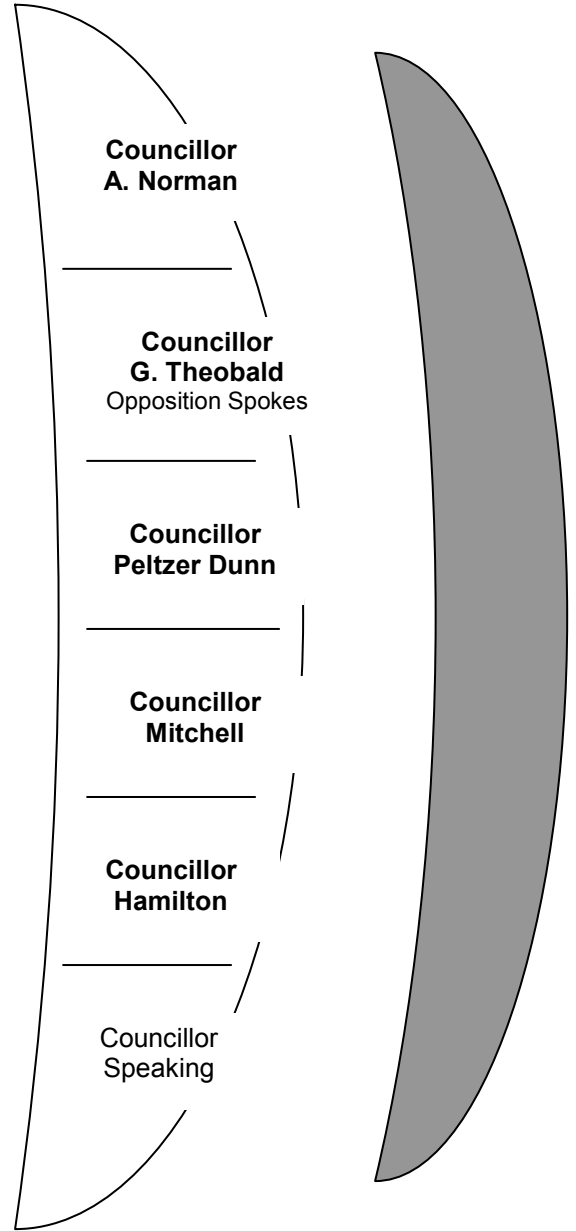
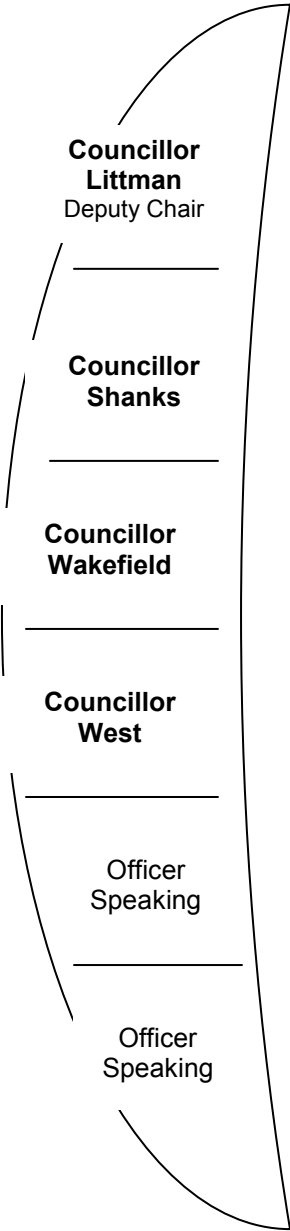
Title:	Policy & Resources Committee
Date:	14 February 2013
Time:	4.00pm
Venue	Council Chamber, Hove Town Hall
Members:	Councillors: J Kitcat (Chair), Littman (Deputy Chair), G Theobald (Opposition Spokesperson), Mitchell (Opposition Spokesperson), Hamilton, A Norman, Peltzer Dunn, Shanks, Wakefield and West
Contact:	Mark Wall Head of Democratic Services 01273 291006 mark.wall@brighton-hove.gov.uk

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Democratic Services: Policy & Resources Committee

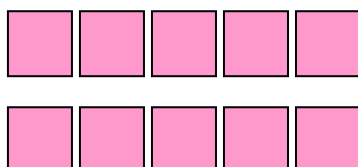
Monitoring Officer	Councillor J. Kitcat Chair	Chief Executive	Head of Democratic Services
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- Director of Finance
- Interim Lead Culture, Tourism & Leisure
- Interim Director of Children's Services
- Strategic Director Place
- Director of Adult Services
- Director of Public Health



Public Speaker	Public Speaker
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Public Seating



Press



AGENDA

PROCEDURAL MATTERS

135. PROCEDURAL BUSINESS

- (a) **Declaration of Substitutes:** Where Councillors are unable to attend a meeting, a substitute Member from the same Political Group may attend, speak and vote in their place for that meeting.
- (b) **Declarations of Interest:**
- (a) Disclosable pecuniary interests not registered on the register of interests;
 - (b) Any other interests required to be registered under the local code;
 - (c) Any other general interest as a result of which a decision on the matter might reasonably be regarded as affecting you or a partner more than a majority of other people or businesses in the ward/s affected by the decision.

In each case, you need to declare

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

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

- (d) **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.

136. MINUTES

1 - 26

To consider the minutes of the meeting held on the 24th January 2013 (copy attached).

Contact Officer: Mark Wall

Tel: 29-1006

Ward Affected: All Wards

137. CHAIR'S COMMUNICATIONS

To receive any communications from the Chair.

138. CALL OVER

- (a) Items (141 – 149) will be read out at the meeting and Members invited to reserve the items for consideration.
- (b) Those items not reserved will be taken as having been received and the reports' recommendations agreed.

GENERAL MATTERS

139. PUBLIC INVOLVEMENT

27 - 28

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

- (a) **Petitions:** to receive any petitions presented by members of the public to the full council or at the meeting itself;
 - (i) To consider a petition calling for a vote of no confidence in the Green Administration presented at Full Council on the 31st January 2013 by Mr. Campbell (as detailed in the report attached);
 - (i) To receive any other petitions.
- (b) **Written Questions:** to receive any questions submitted by the due date of 12 noon on the 7th February 2013;
- (c) **Deputations:** to receive any deputations submitted by the due date of 12 noon on the 7th February 2013.

Contact Officer: Mark Wall

Tel: 29-1006

Ward Affected: All Wards

140. MEMBER INVOLVEMENT

To consider the following matters raised by councillors:

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

POLICY & RESOURCES COMMITTEE

FINANCIAL MATTERS

- 141. TARGETED BUDGET MANAGEMENT (TBM) 2012/13 MONTH 9** **29 - 88**
Report of the Director of Finance (copy attached).
Contact Officer: Jeff Coates *Tel: 29-2364*
Ward Affected: All Wards
- 142. GENERAL FUND REVENUE BUDGET & COUNCIL TAX 2013/14** **To Follow**
Report of the Director of Finance (to be circulated).
Contact Officer: Mark Ireland *Tel: 29-1240*
Ward Affected: All Wards
- 143. CAPITAL RESOURCES & CAPITAL INVESTMENT PROGRAMME 2013/14** **To Follow**
Report of the Director of Finance (to be circulated).
Contact Officer: Jeff Coates *Tel: 29-2364*
Ward Affected: All Wards
- 144. HOUSING REVENUE ACCOUNT 2013/14** **89 - 108**
Joint report of the Strategic Director; Place and Director of Finance (copy attached).
Contact Officer: Sue Chapman *Tel: 29-3105*
Ward Affected: All Wards
- 145. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2013-2016** **109 - 124**
Joint report of the Strategic Director; Place and Director of Finance (copy attached).
Contact Officer: Susie Allen *Tel: 294499*
Ward Affected: All Wards

STRATEGIC & POLICY MATTERS

- 146. RISK MANAGEMENT STRATEGY 2013** **125 - 144**
Report of the Director of Finance (copy attached).
Contact Officer: Jackie Algar *Tel: 29-1273*
Ward Affected: All Wards

POLICY & RESOURCES COMMITTEE

GENERAL MATTERS

147. SENIOR OFFICER STRUCTURE

145 - 152

Report of the Chief Executive (copy attached).

Contact Officer: Abraham Ghebre-Ghiorghis

Tel: 29-1500

Ward Affected: All Wards

148. ITEMS REFERRED FOR COUNCIL

To consider items to be submitted to the 28th February 2013 Council meeting for information.

In accordance with Procedure Rule 24.3a, the Committee may determine that any item is to be included in its report to Council. In addition, each Minority Group may specify one further item to be included by notifying the Chief Executive no later than 10.00am on [Insert Date] 2012 (the eighth working day before the Council meeting to which the report is to be made), or if the Committee meeting takes place after this deadline, immediately at the conclusion of the Committee meeting.

PART TWO

Page

PROCEDURAL MATTERS

149. PART TWO MINUTES - EXEMPT CATEGORIES 4 AND 5

153 - 156

To consider the part two minutes of the meeting held on 24th January 2013 (circulated to Members only).

Contact Officer: Mark Wall

Tel: 29-1006

Ward Affected: All Wards

150. PART TWO PROCEEDINGS

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

POLICY & RESOURCES COMMITTEE

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

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

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Meeting papers can be provided, on request, in large print, in Braille, on audio tape or on disc, or translated into any other language as requested.

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For further details and general enquiries about this meeting contact Mark Wall, (01273 291006, email mark.wall@brighton-hove.gov.uk) or email democratic.services@brighton-hove.gov.uk

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Date of Publication - Wednesday, 6 February 2013

BRIGHTON & HOVE CITY COUNCIL

POLICY & RESOURCES COMMITTEE

4.00pm 24 JANUARY 2013

COUNCIL CHAMBER, HOVE TOWN HALL

MINUTES

Present: Councillor J Kitcat (Chair) Councillors Littman (Deputy Chair), G Theobald (Opposition Spokesperson), Mitchell (Opposition Spokesperson), Hamilton, A Norman, Peltzer Dunn, Shanks, Wakefield and West.

Other Members present: Councillor Cox.

PART ONE

103 PROCEDURAL BUSINESS

(a) Declarations of Substitutes

103.1 There were no declarations of Substitutes.

(b) Declarations of Interest

103.2 There were no declarations of interest.

(c) Exclusion of Press and Public

103.3 The Committee considered whether the press and public should be excluded from the meeting during the consideration of the items listed on Part 2 of the agenda.

103.4 **RESOLVED:** That the press and public be excluded from the meeting during consideration of the items listed on Part 2 of the agenda.

104 MINUTES

104.1 The minutes of the last meeting held on the 29th November 2012 were approved as a correct record of the proceedings and signed by the Chair.

105 CHAIR'S COMMUNICATIONS

105.1 The Chair stated that he wished to thank all the staff who had worked to ensure that disruption to the city was kept to a minimum during the recent period of snow and bad

weather and noted that all major routes had been kept clear and support was provided to vulnerable people.

- 105.2 The Chair noted that the council had been listed as a top local authority in the Stonewall Index and wished to thank the LGBT Workers Forum and to congratulate the Community and Equality Team on their work, which demonstrated a commitment to progressive work to support communities.
- 105.3 The Chair welcomed the positive response to the Trans Scrutiny review, which was a ground-breaking piece of work that sensitively and appropriately addressed an invisible and misunderstood group.
- 105.4 The Chair stated that the council had submitted its bid for a City Deal to the Government on behalf of the city and the greater Brighton city region. He noted that the city deal bid sought to devolve powers from central government to deliver thousands of jobs and significant economic growth across the city and the region, having been put together with neighbouring Lewes, Adur and Worthing councils and The Coast to Capital Local Enterprise Partnership, both Universities and key business partners. It was the first step in the process and he hoped to hear by mid-February whether the bid would go through to the next stage.
- 105.5 The Chair noted that the Transport Committee at its meeting on the 15th January had agreed the implementation of a 20mph scheme, which would increase road safety, reduce facilities and help to address congestion and pollution.
- 105.6 The Chair stated that Item 122 on the agenda, Volks Railway had been withdrawn as the council's bid for funding had not been successful.
- 105.7 The Chair sought agreement to taking Item 115, Pay Modernisation at the end of the open part of the agenda so as to enable the committee to move into closed session to discuss the part two report and any issues that arose in the open session and could not be fully considered. He also stated that he intended to take Item 123 as part of the consideration of the public matters under Item 107 on the agenda.

106 CALL OVER

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

- Item 109 Council Tax Base 2013/14
- Item 110 Business Rates Retention Forecast 2013/14
- Item 111 Future of the Mobile Library Service
- Item 112 Life Events Fees and Charges 2013/14
- Item 113 Submission City Plan Part 1
- Item 114 Community Safety, Crime Reduction and Drugs Strategy
- Item 115 Pay Modernisation
- Item 117 Designation of Brighton & Hove as a No-Fracking Zone
- Item 118 European Commission Covenant of Mayors on Climate Change
- Item 119 Show Us You Care Campaign
- Item 120 Adoption of the East Sussex, South Downs and Brighton & Hove Waste and Minerals Plan

- Item 121 Home Energy Efficiency Investment Options – Green Deal
- Item 123 Saltdean Lido – Options for Future Operation
- Item 124 Article 4 Directions – Houses in Multiple Occupation
- Item 125 Contractual Arrangements for Strengthening the King’s Road Arches
- Item 126 Funding for Road Works Permit Scheme Business Case
- Item 127 Developments at Craven Vale
- Item 128 Shared Services Review
- Item 132 Pay Modernisation – Exempt Categories 4 and 5.

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

- Item 116 Public Health Transition
- Item 129 Health & Safety Annual Service Plan 2013/14
- Item 131 Review of Meetings Timetable 2013/14
- Item 133 Part Two Minutes.

107 PUBLIC INVOLVEMENT

Petitions

- 107.1 The Chair referred to the petition detailed in the report, concerning Council Tax Benefits which had been presented to the last council meeting by Mr. Moorhouse and proposed that it be noted.
- 107.2 **RESOLVED:** That the petition be noted.
- 107.3 Councillor Cox presented a petition on behalf Ms. Laux, requesting that the City Plan should make provision for sufficient schools and school places for families living in Brighton and Hove, and for those moving into the area. He noted that 259 people had signed the combined e and paper petition and that as it stood the City Plan did not make account for the increasing need and made no reference to the School Organisation Plan. He suggested that there should be a link and that this should be reflected in the Plan with SMART objectives listed that could then be reviewed.
- 107.4 The Chair thanked Councillor Cox for presenting the petition and stated that the council had a statutory duty to provide school places and referred to policy SO21 which was contained in the City Plan. He agreed that schools were a critical part to the infrastructure of the city and a key issue for the future. He noted that the City Plan included a commitment to expand schools to meet the growing demand for places, and there was a designation for a new secondary school at Toad’s Hole Valley. He stated that the Infrastructure Delivery Plan included provision of new schools, including King’s School and believed that the approach outlined a clear policy framework that would be flexible and enable new sites to be included and school places delivered in the right places for the residents of the city. The Chair then moved that the petition be noted.
- 107.5 **RESOLVED:** That the petition be noted.

107.6 The Chair noted that there were no other petitions to be presented.

Written Questions and Item 123 Saltdean Lido Options for Future Use

107.7 The Chair invited the Commissioner for Culture to introduce the report on the Lido, listed as Item 123 on the agenda before taking the public question on the matter.

107.8 The Commissioner for Culture introduced the report and stated that having taken over the lease for the lido the council had sought to find a long-term option for the operation of the Lido and had undertaken soft market testing to ascertain whether there would be any market interest in running the Lido. Having completed the process, it was proposed to seek bids for the operation and management of the Lido based on a 50-year repairing lease.

107.9 The Chair invited Mr. Boyle to come forward and put his question to the Committee.

107.10 Mr. Boyle thanked the Chair and asked, "Section 3.8.3 of the Options Report says that the clear outcomes for the site are the operation of the Lido Complex including the pools and maintaining the building at no cost to the council. Please could councillors ensure that community facilities such as multiple meeting rooms, a space for a youth club and a cafe/restaurant open are included in the tender document as this is what the people of Saltdean need?"

107.11 The Chair thanked Mr. Boyle for his question and stated that the potential tender document for the Saltdean Lido Complex will have to remain as open as possible, to allow the widest range of operational solutions. This is because of the difficulties inherent in ensuring the viability of facilities of this kind within a Grade II listed building. However, it would also be the intention of the council to include within the tender, the strong recommendation to any potential bidder, to contact the various community groups active in the Saltdean area in the preparation of their bid. This should ensure that all bids are properly informed and will clearly indicate the type of community facilities they would be able to offer.

107.12 Mr. Boyle thanked the Chair and asked that the council included a provision for community facilities for the lease of the Lido.

107.13 The Chair noted the request and stated that the council wanted to ensure that the future of the Lido was secured and that the needs of the community were taken into account and he hoped that the tender process would be as open as possible. He also noted that a letter from the Saltdean Community Association had been circulated to all Members and stated that it would be noted and taken into consideration by officers when finalising the tender process.

107.14 Councillor Peltzer Dunn referred to the report and queried whether the public house that was on the site would be included within the tender process, as he was unsure whether it would be advantageous to potential bidders to a public house contained within the lease.

107.15 The Principal Solicitor stated that it would be up to the potential bidders to determine whether they wished to include it as part of any bid. He noted that the public house

did not have any dedicated parking at present but that could be something a potential operator sought to resolve and it could be that part of the building was used a community facility.

- 107.16 The Chair suggested that it would be appropriate to keep the remit for the tendering process as open as possible so that all options could be considered.
- 107.17 Councillor Mitchell stated that she appreciated the amount of work that officers had put into the matter and she hoped that a resolution would be found to safeguard the future of the Lido. She also queried what steps would be taken to ensure that community consultation was undertaken and that the community groups had some involvement before a decision on the bids was taken.
- 107.18 The Commissioner for Culture stated that community consultation would be built into the tender process, and expected it to include public exhibitions, and regular updates to community groups, and on-going discussions with ward councillors. She also noted that it would also involve the planning process and officers would have an oversight of any consultation undertaken by potential bidders.
- 107.19 Councillor G. Theobald stated that it would be helpful to know what the income levels were for the pubic house and whether there was a potential to redevelop it and the car park in the future.
- 107.20 The Chair stated that the council retained an oversight as the landlord and that he believed it was beneficial to keep the options as open as possible. He then put the recommendations to the vote.
- 107.21 **RESOLVED:**
- (1) That the results of the soft market testing that had been undertaken to inform options for the long-term operation of the Saltdean Lido Complex be noted;
 - (2) That the marketing of a 50-year full repairing lease for the Saltdean Lido Complex, including the operation of the Lido pools and the provision of additional community facilities to achieve a long-term viable operation of the facility be approved; and
 - (3) That the outcome of the marketing of the lease in (2) above be brought back to a future meeting of the Policy & Resources Committee.

108 MEMBER INVOLVEMENT

- 108.1 The Chair noted that there were no items to be raised under Member Involvement.

109 COUNCIL TAX BASE 2013/14

Note: *The special circumstances for non-compliance with Council Procedure Rule 23, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least*

five days in advance of the meeting) was that some relevant information required to calculate the tax base was not available.

- 109.1 The Director of Finance introduced the report which detailed the proposed council tax base for 2013/14 and took account of the previously agreed council tax reduction scheme and council tax discounts and exemptions. She also noted that in having taken the various changes into account, the proposed council tax base was broadly in-line with the previous report that went to committee in November.
- 109.2 Councillor Littman welcomed the report and thanked the officers involved for their work and recommended that it be approved.
- 109.3 Councillor A. Norman welcomed the report and noted the increase for student exemptions and that the number of households eligible for the council tax reduction scheme would remain similar to that under the previous scheme.
- 109.4 Councillor Hamilton stated that in regard to the level of student exemptions, he believed that university cities were being placed at a disadvantage, and the government should be asked to make an allowance for this situation. He also suggested that whilst the number of properties receiving assistance was similar, they were not in receipt of the same level of benefit.
- 109.5 The Chair noted the comments and put the recommendations to the vote.
- 109.6 **RESOLVED:**
- (1) That the report be approved for the calculation of the council's tax base for the year 2013/14;
 - (2) 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 2013/14 shall be agreed as follows:-
 - § For Brighton and Hove whole – 79,781.90 (as detailed in appendix 1)
 - § For the Royal Crescent Enclosure Committee – 30.85 (as detailed in appendix 2)
 - § For the Hanover Crescent Enclosure Committee – 38.75 (as detailed in appendix 3)
 - § For the Marine Square Enclosure Committee – 63.17 (as detailed in appendix 4)
 - § For the Parish of Rottingdean – 1,456.99 (as detailed in appendix 5)
 - (3) 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 agreed as its special expenses; and

- (4) That it be agreed that the Enclosure Committees and Rottingdean Parish be paid approximately £5,000 council tax reduction grant in total to ensure that 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 of the report.

110 BUSINESS RATES RETENTION FORECAST 2013/14

Note: *The special circumstances for non-compliance with Council Procedure Rule 23, Access to Information Procedure Rule 5 and Section 100B(4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five days in advance of the meeting) was that further relevant guidance from the Department for Communities and Local Government (CLG) that was required to calculate the business rates forecast had not been received.*

- 110.1 The Director of Finance introduced the report which sought approval of the business rates forecast for 2013/14 and to approve the proposed NNDR1 for 2013/14. The Director noted that the system for local government finance was changing and that 50% of the locally collected business rates would be retained by local authorities, which meant that this replaced the government grant that was previously issued and was not therefore additional revenue. The level of business rates would remain set by national government and the valuation office and local authorities would also be liable for 50% of the costs of any successful business rates appeals. This was an important factor as officers had had to seek to predict the level of successful appeals which could go back to 2012 and the potential cost to the council to meet those appeals. Having received further guidance from the government since the report was published; officers currently predicted that there was a £7m liability as a result of successful appeals for the council to fund. She stated that further guidance was expected and therefore delegated authority was sought to enable her to take any action required in light of that guidance.
- 110.2 The Chair noted the report and stated that the council was required by law to set the rate and was now facing a £7m cost as a result of the changes imposed by the government. He was concerned that the city was known for its digital businesses and these attracted very little business rates which, whilst they were welcome, did not help the situation. He had raised the matter with the Minister concerned who had said he would look at the matter but as yet had not responded.
- 110.3 Councillor G. Theobald welcomed the change in the system and stated that it was appropriate for the government to set the rate at a national level. He wished to thank the officers for the report and their briefings on the matter and stated that there had always been appeals against the level of business rates. He had concerns over the work of the valuation office and the number of outstanding appeals that remained. He also felt that the council should be able to pursue rateable values for empty properties such as the Co-op building on the London Road.
- 110.4 Councillor Mitchell stated that the council was being placed in a difficult position with the government setting the rates and then expecting the council to pick up half of the costs of the resultant appeals since 2010. The budget pressure of £7m was a concern and until further information was received it appeared it could be a full-year cost for 2013/14; however she noted that the DCLG had indicated that the matter was being reviewed and a 'safety net' may be provided. She therefore suggested that the council should work

with the LGA and other councils to take a collaborative approach and raise the concerns with the government.

110.5 Councillor West stated that he was concerned about the potential impact on the budget of the additional £7m cost and the impact on local businesses.

110.6 Councillor Hamilton stated that he was concerned that information and guidance on this matter was still being issued by DCLG and felt that it was essential that the Director of Finance was given delegated authority to be able to take matters forward.

110.7 The Chair noted the comments and stated that the council was committed to attracting businesses to the city but noted that the retention of a percentage of the business rates collected by the council was not new money as the previous government grant had been withdrawn. He then put the recommendations to the vote.

110.8 RESOLVED:

- (1) That the business rates forecast with the amount to be retained of £49.235m as set out in the NNDR1 2013/14 form at appendix 1 be agreed;
- (2) That the technical issues relating to future successful business rate appeals and refunds raised in the response to the provisional grant settlement set out in appendix 2 to the report and the potential impact on the budget be noted; and
- (3) That the positive outcome of the independent review of the council's current systems for identifying changes to the rating list and informing the Valuation Office set out in paragraph 3.25 of the report and the improvements suggested be noted.

111 FUTURE OF THE MOBILE LIBRARY SERVICE

111.1 The Director of Finance introduced the report, concerning the future of the mobile library service and the recommendations of the Economic Development & Culture Committee in regard to the future operation of the service. She noted that the mobile library was due to operate until the end of March 2013 as a result of an amendment to the budget proposals that were approved by the council in 2012. The Economic Development & Culture Committee had considered a report at its meeting on the 15th November 2012 which outlined a range of options for operating the mobile library, of which two options were favoured, by Members of the Committee and the majority view supported Option 3, to run the Mobile Library service on a reduced timetable for three days a week.

111.2 Councillor Littman stated that he wished to move an amendment to the recommendations so that recommendation 2.2 was replaced by a recommendation to approve Option 7 in the report, which provided for the replacement of the Mobile Library service with an expanded Home Delivery Service as detailed in the report.

111.3 Councillor West formally seconded the proposed amendment.

- 111.4 Councillor Mitchell stated that she opposed the amendment and supported the majority view of the Economic Development & Culture Committee that Option 3 should be approved and the Mobile Library service be retained on a reduced timetable.
- 111.5 Councillor West stated that should the Mobile Library be retained, there was a need to replace the actual vehicle at a significant capital cost, and when taken into account with the reduced level of service and the actual number of users of the service, it was not value for money. The proposed expanded home delivery service in Option 7 would provide a better service for more people and was already working well in Patcham.
- 111.6 Councillor Peltzer Dunn questioned the need for the Policy & Resources Committee to over-ride the decision of the Economic Development & Culture Committee, which had responsibility for the service. He stated that the service provided to its users by the mobile library was immeasurable and should be maintained.
- 111.7 The Chair stated that the decision taken at the previous Budget Council meeting had meant that there was a funding gap for the service which had not been met and the decision to support Option 3 by the Economic Development & Culture Committee meant that it had to be referred to the Policy & Resources Committee because the funding gap remained. It was for the Policy & Resources Committee to then consider the financial position and determine whether Option 3 could be supported or whether an alternative option provided a better solution.
- 111.8 Councillor Littman stated that he was a Member of the Economic Development & Culture Committee and had voted for Option 7 on the basis that it offered a better solution and an improved service to what was a historical solution that had become outdated.
- 111.9 Councillor Mitchell stated that she believed the recommendations of the Economic Development & Culture Committee should be approved and that Option 3 should be taken forward. She noted that the Administration was seeking to increase council tax by 2% and was asking residents to accept this increase if the council spent the money properly and yet this was a clear example of not spending finances to maintain a service wanted by residents.
- 111.10 Councillor Hamilton formally seconded the proposal to approve Option 3 as outlined by Councillor Mitchell.
- 111.11 Councillor Shanks stated that the capital expenditure to provide the service to a small number of people was not cost effective, especially when the need for capital funding for schools was taken into consideration.
- 111.12 Councillor Hamilton stated that should Option 7 be agreed, it assumed that people has access to a computer in order to access the on-line catalogue and it prevented people from being able to pick up and browse a book before deciding whether or not take it out on loan.
- 111.13 The Head of Library Service stated that as part of the Home Delivery service, an officer would go to people's homes and take a laptop so that they could access the on-

line catalogue, check availability and reserve books. She stated that the library management system took account of what books were taken out and therefore was able to be used to offer choices.

- 111.14 Councillor A. Norman stated that she could not support the amendment moved by Councillor Littman as she felt people preferred to be able to pick up and look at a book before deciding whether or not to take it out and this was not possible through on-line browsing.
- 111.15 Councillor Peltzer Dunn queried whether the officer time had been taken into consideration in regard to conducting home visits and assisting with on-line browsing and how this compared to funding the part-time mobile service outlined in Option 3.
- 111.16 The Chair noted the comments and put the amendment proposed by Councillor Littman to the vote which resulted in a tie. He then used his casting vote in favour of the proposal and the amendment was carried.
- 111.17 The Chair then put the recommendations moved by Councillor Mitchell to the vote which resulted in a tie and as such was lost.
- 111.18 The Chair then put the recommendations as amended to vote which resulted in a tie. He then used his casting vote in favour and the recommendations were carried.
- 111.19 **RESOLVED:**

- (1) That the recommendations of the Economic Development & Culture Committee as set out in paragraphs 3.7 and 3.8 of the report and detailed below be noted;
- (2) That in having regard to the value for money assessment as outlined in the financial implications paragraph and the options detailed in paragraph 3.5 of the report, Option 7, to replace the Mobile Library with an expanded Home Delivery service to provide more targeted services for those unable to get to a static library or use the Mobile Library be approved.

Note: Councillors Hamilton, Mitchell, A. Norman, Peltzer Dunn and G. Theobald wished their names recorded as having voted against the proposed amendment at (111.16) and the resolutions set out at (111.19) above.

112 LIFE EVENTS FEES AND CHARGES 2013/14

- 112.1 The Director of Finance introduced the report which detailed the proposed fees and charges for Life Events services for 2013/14.
- 112.2 Councillor Littman welcomed the report and stated that the Administration was willing to accept the Conservative Group amendment that had been circulated.
- 112.3 Councillor A. Norman thanked Councillor Littman for accepting the amendment which she moved formally and noted that infant mortality was usually unexpected and meant that no provision had been made. She felt that this ensured that parents could have a

memorial on the gravestone and in the current economic climate it was a sensible approach.

112.4 Councillor Mitchell stated that the Labour & Co-operative Group echoed the sentiments and fully supported the amendment.

112.5 The Chair noted the comments and in view of the acceptance of the amendment put the recommendations as amended to the vote.

112.6 **RESOLVED:**

(1) That the fees and charges for Life Events in Appendix 1 (Bereavement Services) and Appendix 2 (Registration) to the report be approved and recommended to Budget Council; and

(2) That in regard to (1) above, the proposed charges for 'cemeteries: to erect a memorial on a child's grave-space' be frozen at 2012/13 levels.

113 SUBMISSION CITY PLAN, PART 1

113.1 The Strategic Director introduced the report which sought approval of the publication of the Submission City Plan, Part 1, part of Brighton & Hove's Local Development Framework, along with its supporting papers for a six week period of public consultation during February, March and April 2013, prior to submission to the secretary of State. He stated that plan had been three years in the making and hoped that it could be fully supported.

113.2 The Head of Planning & Public Protection stated that he was aware of the national debate around planning and suggested that it was an opportune time to be bringing forward the city plan. He wished to thank all those Members and residents who had participated in the development process for the plan's submission to the council and noted that there had been an effective consultation process which had enabled people to comment on areas of the plan. He believed that the methodology behind the plan was robust and supported the various targets that were detailed, including those where they did not reach government stated figures e.g. on housing. He hoped that the Plan would be agreed and subsequently approved by the Secretary of State in April to enable its publication in September and final adoption in 2014.

113.3 The Chair stated that he wished to thank everyone concerned with the development of the Plan and the report that was before the committee. He welcomed the community engagement process and believed it set out a long-term vision which was very challenging.

113.4 Councillor Mitchell congratulated the officers on all their hard work and stated that she felt it was an exceptional piece of work. She noted that CP8, sustainable Buildings policy was finely balanced and hoped that the conditions set out would not mitigate against new and affordable homes.

- 113.5 The Head of Planning & Public Protection stated that he believed the policy was framed to enable a viability test but he was aware that it was an area that would need to be kept under close review.
- 113.6 Councillor G. Theobald stated that he preferred to reserve judgement on the matter until the council meeting.
- 113.7 Councillor West stated that the sustainability factors would need to be monitored and taken into account in regard to the life-time cost of new buildings and improved energy costs and contributions to the sustainable footprint of the city. He believed it was an important plan for the future and provided for a flexible approach.
- 113.8 The Chair stated that there was a need to reduce energy costs and these needed to be taken in conjunction with the issue of social justice, i.e. the buildings should be affordable to run. He then put the recommendations to the vote.

113.9 **RESOLVED TO RECOMMEND:**

- (1) That the summary of the responses to the consultation on the draft City Plan Part 1, (summarised in Appendix 1 to the report with a full schedule attached to the Statement of Consultation on city council's website, placed in the Members' Rooms and in Customer Service Centres) be noted;
- (2) That the Proposed Submission City Plan Part 1 be agreed and published for statutory public consultation for a six week period commencing in February 2013, (Along with appendices and supporting documents);
- (3) That the document should be subsequently submitted to the Secretary of State subject to no material changes, other than alterations for the purposes of clarification, improved accuracy of meaning or typographical corrections, being necessary;
- (4) That the Head of Planning and Public Protection be authorised to agree any draft "main modifications" to the City Plan Part 1 necessary to make it sound and to authorise the publication of such draft modifications for public consultation save that should any draft modification involve a major shift in the policy approach of the City Plan Part 1 the draft modification shall be referred by the Head of Planning and Public Protection to the Policy & Resources Committee for approval;
- (5) That it be noted that all modifications to the Plan will be presented to the Policy & Resources Committee and Full Council in due course as part of the adoption of the City Plan Part 1; and
- (6) That the following studies as supporting evidence for the City Plan and further Local Development Documents be approved:
 1. The Employment Land Study Review 2012
 2. Draft Transport Assessment 2012
 3. The Brighton and Hove Energy Study 2012
 4. Local Housing Requirements update 2012

5. Strategic Housing land Availability assessment (SHLAA) Update 2012
6. Housing Needs Assessment 2012
7. Site capacity assessments 2012.

114 COMMUNITY SAFETY, CRIME REDUCTION AND DRUGS STRATEGY 2011-2014

- 114.1 The Director of Public Health introduced the report which detailed the Community Safety, Crime Reduction and Drugs Strategy for 2011 – 2014, and set out the priorities and work programme for delivery by the Community Safety Partnership. He stated that the Community Safety delivery team were working closely with Police to deliver the priorities and noted that work was in hand to refresh the strategy and take account of the findings of the Drugs Commission which was due to report in March.
- 114.2 The Chair welcomed the report and noted that he had already held discussions with the recently appointed Police & Crime Commissioner to ensure that they were aware of the good work taking place in the city.
- 114.3 Councillor G. Theobald welcomed the strategy and stated that he fully supported the work of the team and the priorities that had been identified. He also welcomed the intention to work with the Police & Crime Commissioner and asked if further information could be provided in regard to the piloting of the community trigger referred to on page 151 and budget in relation to the prevention of extremism.
- 114.4 Councillor Mitchell welcomed the report and asked for further information in regard to the opportunities and risks associated with the council taking responsibility for 18-year olds and working with repeat offenders.
- 114.5 The Director of Public Health stated that he would be happy to provide additional information to the Members following the meeting.
- 114.6 The Chair noted the comments and put the recommendations to the vote.
- 114.7 **RESOLVED TO RECOMMEND:**
- (1) That the crime reduction and safety priorities included within the updated Community Safety, Crime Reduction and Drugs Strategy 2011 – 2014 be noted and recommended to council for approval; and
 - (2) That the summary of some of the new work included within the Strategy together with action being taken to improve value for money be noted.

115 PAY MODERNISATION

Note: *The Special Circumstances for non-compliance with Council Procedural Rule 23, Access to Information Procedure Rule 5 and Section 100B (4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five clear days in advance of the meeting), were that the information necessary for the report and the consultation with relevant persons was not finalised in time from the publication of the agenda. The Committee needed to make the decision at the meeting so that negotiations could start as early as possible.*

- 115.1 The Chief Executive introduced the report and explained that there was a need to review the council's pay structure to take account of the varied number of enhancements that existed and to produce a new system that was consistent, modern and transparent. She stated that it was intended to discuss the new package with the recognised trade unions and she hoped to reach an agreement with them on its introduction in the autumn. The council's staff were its most important asset and at the heart of the proposed changes which would enable better career progression. She stated that the council had not entered into this process lightly and held no preconceptions or any intention to reduce the wage bill, but rather to modernise the pay package and establish a clear and transparent scheme. As things stood it was not possible to do nothing and therefore the staff and trade unions were being asked to be fully involved in the review process.
- 115.2 Councillor Mitchell stated that she was concerned about the process and the length of time that the issue had remained unresolved. She was aware of previous intentions that had come to nothing and given that it was an important issue sought reassurance that it would be taken forward and addressed, without adversely affecting the lowest paid. She also expressed her concern over the nature of the language used in the report which she felt could be regarded as combative and therefore cause resentment. She then referred to paragraph 5.1 and queried whether there was an indication that the overall pay bill would be brought down in view of any potential lump sum payouts.
- 115.3 The Director of Finance stated that it was intended to keep all options open at this stage, and it was not inevitable that the overall pay bill would come down. However, there was a need to seek to account for any recompense that was made to allow for a new pay structure to be brought in and to seek to contain the changes within the existing cost structure.
- 115.4 The Chair stated that the problem had existed for a number of years and had now reached a point where it needed to be addressed and therefore proactive and constructive negotiations needed to be opened with the staff and the trade unions. He hoped that all parties would support this.
- 115.5 Councillor Hamilton stated that he had previously been a member of the Single Status Working Group, which had met on a number of occasions but then simply ceased from meeting without any explanation. He noted that the report mentioned a total of £3m in allowances and hoped that appropriate safeguards would be incorporated to protect those who were directly affected by any changes in the new pay structure. He was concerned that a figure of £4k was being mentioned as the amount that low paid workers could lose as a result of the allowances being removed.
- 115.6 Councillor G. Theobald stated that there was a need to establish a fair and equitable pay structure for all staff and currently there were a number of allowances that varied across the organisation and as such should be addressed. He believed that the matter had to be resolved as it had remained a problem for over a decade.
- 115.7 Councillor Wakefield stated that she hoped the importance of communication would be taken into account so that all staff, trade unions and councillors were aware of the issues and how they were being tackled.

- 115.8 Councillor Shanks asked for further information in regards to the negotiating process and expressed her concern that the lowest paid workers should not be unduly affected by any changes to the overall pay structure.
- 115.9 Councillor A. Norman stated that she believed that there should be an open dialogue between the council, the staff and the trade unions with every opportunity to put forward concerns so that the resultant pay structure was regarded as being equitable and fair.
- 115.10 The Chief Executive stated that there was a need to get on with the process of dialogue and negotiation and it was critical that the trade unions were involved and willing to discuss matters so that issues could be addressed and agreement reached on a new scheme.
- 115.11 The Monitoring Officer stated that he believed the committee should move into closed session so that the part two report and associated issues that were being referred to could be discussed. He also stated that a part two report had been included on the agenda because of the financial and personnel information, which would be part of the negotiations with the trade unions and the legal implications for the authority, all of which fell under the Local Government Act 1972; and was therefore the proper way for the committee to deal with and consider the information.
- 115.12 The Chair noted the advice of the Monitoring Officer and stated that the meeting should move into closed session, in order to consider the part two report and discuss matters further. He stated that as much information as possible had been contained in the part one report and he would ensure the outcome of the discussions held in closed session were reported in open session.
- 115.13 The meeting then moved into closed session.
- 115.14 Following the consideration of the part two report and discussions on the issue, the Chair reported that the recommendations contained in the part one and part two reports had been approved.
- 115.15 **RESOLVED:**
- (1) That the contents of the report and the need to modernise aspects of the council's pay and terms and conditions which are locally determined be noted;
 - (2) That it be agreed that the council should commence a process designed to implement a new system of allowances and additional payments that are consistent, modern and transparent;
 - (3) That it be agreed that the council should commence a process designed to introduce Job Families and implement any associated changes to the council's grading structure and pay-line;

- (4) That the Chief Executive be authorised to nominate officers, to enter into negotiations with the recognised trade unions with a view to reaching an agreement on a revised package of pay and terms and conditions; and
- (5) That the Chief Executive, the Director of Adult Social Care and the Director of Finance be authorised to implement a modernised pay and terms and conditions package in accordance with the law, including the power to adopt appropriate grievance and appeal procedures and to take any other steps necessary, conducive or incidental to achievement of the same.

Note: *The item is listed in the minutes in its consecutive order for ease of reference, although it was taken as the last item for discussion in the open part of the meeting, in accordance with the Chair's request at the start of the meeting.*

116 PUBLIC HEALTH TRANSITION

116.1 RESOLVED:

- (1) That the proposed transfer of the Brighton & Hove Primary Care Trust public health function, as described within the report, to the city council as of 1st April 2013 be noted; and
- (2) That the Chief Executive, after consultation with the Head of Legal and Democratic Services, be authorised to finalise and agree the arrangements for the transfer, together with any documentation necessary to give effect to the transfer, in accordance with the requirements of the Department of Health.

117 DESIGNATION OF BRIGHTON & HOVE AS A NO-FRACKING ZONE

- 117.1 The Strategic Director; Place introduced the report which had been produced as a result of a Notice of Motion to Full Council on the subject of 'Fracking.' He noted that should the recommendation be accepted, it would not be a legally binding policy and therefore did not affect the Waste and Minerals Plan, but would be consistent with the council's commitment to create a more sustainable city.
- 117.2 Councillor G. Theobald questioned the logic of such a declaration when the Waste and Minerals plan provided for the option to apply to undertake oil and gas exploration. As the declaration would not be legally binding he did not see the need for it and referred to how 'Fracking' was being utilised in other parts of the world.
- 117.3 Councillor West stated that it was important to give an indication of the council's intention to have a low carbon economy and to signal its concerns over the process of 'Fracking.'
- 117.4 Councillor Mitchell stated that the Labour & Co-operative Group were supportive of the recommendation and suggested that a regional strategy should be developed to support this concern.

117.5 Councillor Peltzer Dunn stated that he remained to be convinced about the benefits of 'Fracking' but every source of energy needed to be explored and as such he could not support the recommendation.

117.6 The Chair stated that such a declaration would have weight and would give an indication as to the city's position on the matter. He then put the recommendation to the vote.

117.7 **RESOLVED:** That Brighton & Hove be approved as a no-fracking zone.

118 EUROPEAN COMMISSION COVENANT OF MAYORS ON CLIMATE CHANGE

118.1 The Strategic Director; Place introduced the report and stated that the council had previously signed up to the 'Nottingham Declaration' in 2004 and it was proposed that it should sign up to the Covenant as detailed in the report, which supported the council's corporate policy to create a more sustainable city.

118.2 The Chair thanked the officers for the report and stated that by signing up to the Covenant he hoped that it would enable the council to bid for European funding and provide support for City Deal.

118.3 Councillor Mitchell noted the information and questioned the benefit of having to travel abroad to sign up and suggested that it was something that could be done on-line.

118.4 Councillor G. Theobald stated that he shared Councillor Mitchell's concern and hoped that the signing could be undertaken in the UK, but also noted the potential for funding opportunities.

118.5 The Chair then put the recommendation to the vote.

118.6 **RESOLVED:** That the city council becomes a signatory to the Covenant of Mayors.

119 SHOW US YOU CARE CAMPAIGN

119.1 The Director of Adult Social Services introduced the report which detailed the LGA's campaign to highlight the need to put adult social care on a sustainable financial footing and to secure longer-term reform of the system to make it clearer, fairer and more transparent.

119.2 The Chair stated that this was a critical issue in regard to the social care budget and by signing up to the campaign it provided an opportunity to highlight the matter and find a fair solution. He then put the recommendation to the vote.

119.3 **RESOLVED:** That it be agreed that the Council should sign up to the 'Show Us You Care' campaign.

120 ADOPTION OF THE EAST SUSSEX, SOUTH DOWNS AND BRIGHTON & HOVE WASTE AND MINERALS PLAN

120.1 The strategic Director; Place introduced the report which sought approval of the waste and minerals plan and detailed the outcome of the public examination of the plan. He

noted that should the plan be adopted by the council it would provide planning policy for waste management and minerals production in East Sussex and Brighton & Hove and that part of the South Downs National Park which came into East Sussex and Brighton & Hove (the Plan area), to 2026.

- 120.2 The Head of Planning & Public Protection informed the Committee that the plan had been prepared in partnership with East Sussex County Council which was also due to approve the plan. He also noted that the Planning Inspector had been very impressed with the Plan.
- 120.3 Councillor G. Theobald welcomed the report but queried the position in relation to the activity known as 'Fracking' which it appeared could take place within the city, as he was aware of another item on the agenda which had sought the committee's agreement to declaring Brighton & Hove a 'No-Fracking Zone.'
- 120.4 The Head of Planning & Public Protection referred to the policies WMP15 and 16 which should be read together and would need to be addressed should there be any interest in the exploration of oil and gas in the city.
- 120.5 The Chair noted the comments and suggested that the issue of 'Fracking' was likely to be determined by the Government rather than local authorities, however he felt that it was important for the council to indicate its position on the matter. He then put the recommendations to the vote.

120.6 **RESOLVED TO RECOMMEND**

- (1) That the WMP, incorporating the Main Modification and minor modifications, as waste and minerals planning policy subject to the Head of Planning and Public Protection agreeing any further minor changes to the text of the Waste and Minerals Plan with East Sussex County Council and the South Downs National Park Authority be adopted;
- (2) That the analysis of the responses to the consultation on the Main Modification to the WMP be noted;
- (3) That the contents of the Inspector's Report and her conclusion that the WMP is legally compliant and 'sound' be noted;
- (4) That the minor non-material modifications made to the WMP be noted; and
- (5) That the Main Modification made to the WMP be agreed.

121 **HOME ENERGY EFFICIENCY INVESTMENT OPTIONS - GREEN DEAL**

- 121.1 The Strategic Director; Place introduced the report which outlined the opportunities that could be presented by the Green Deal to meet key council objectives and the potential for working with West Sussex County Council and other local authorities to develop a model for delivery of both Green Deal and energy Company Obligation ('ECO') investment for the benefit of local residents, businesses and the economy. He stated

that the report sought approval for the signing of a memorandum of understanding with West Sussex County Council as the basis for further partnership working.

- 121.2 The Chair welcomed the report and stated that it was the start of journey towards meeting the objectives of Green Deal and that regional working was a key element to achieving this. He therefore hoped that it would be fully supported by all groups on the council.
- 121.3 Councillor Mitchell stated that the Labour & Co-operative Group supported the report and felt that it was important to work with other authorities to maximise the benefits.
- 121.4 Councillor G. Theobald noted the report and stated that he was supportive of working with other authorities.
- 121.5 Councillor Wakefield stated that she did not feel that Green Deal was the best solution but noted that it was currently the only option available and hoped that benefits would be visible in due course.
- 121.6 The Chair stated that he had met with social landlords and hoped that they would make use of Green Deal and would support this approach, although he accepted that it was a huge challenge. He then put the recommendations to the vote.
- 121.7 **RESOLVED:**
- (1) That the successful grant funding bids set out in paragraphs 3.3 and 3.4 of the report be noted;
 - (2) That the options and opportunities presented by the Green Deal and Energy Company Obligation to meet key objectives in Brighton & Hove and the potential to work with West Sussex County Council, and other local authorities in the region, to develop a model that delivers both Green Deal and ECO opportunities for the benefit of local residents, businesses and the economy be noted;.
 - (3) That the Strategic Director, Place be granted delegated authority to sign the 'Memorandum of Understanding' with West Sussex County Council as a potential investor in their Green Deal scheme (attached as Appendix 3 to the report); and
 - (4) That it be noted that any final decision on entering contractual obligations with a Green Deal provider will be the subject of a further report to this Committee following a procurement process that will run throughout 2013.

122 VOLKS RAILWAY CAPITAL PROJECT

Note: The report had been withdrawn.

123 SALTDEAN LIDO - OPTIONS FOR FUTURE OPERATION**107.22 RESOLVED:**

- (1) That the results of the soft market testing that had been undertaken to inform options for the long-term operation of the Saltdean Lido Complex be noted;
- (2) That the marketing of a 50-year full repairing lease for the Saltdean Lido Complex, including the operation of the Lido pools and the provision of additional community facilities to achieve a long-term viable operation of the facility be approved; and
- (3) That the outcome of the marketing of the lease in (2) above be brought back to a future meeting of the Policy & Resources Committee.

Note: *The item was taken as part of Item 107 on the agenda and the resolution above has been listed for reference.*

124 ARTICLE 4 DIRECTION – HOUSES IN MULTIPLE OCCUPATION

- 124.1 The Strategic Director; Place introduced the report which sought approval of an Article 4 direction to remove a permitted development right under planning legislation that allows changes of use from dwelling houses (Class C3) to small Houses in Multiple Occupation (Class C4). The intention being to require planning applications to be made for such changes of use and thereby provide the council with a degree of control over the location of new small Houses in Multiple Occupation (HMOs), and to influence the concentrations of HMOs in established residential areas.
- 124.2 Councillor Wakefield welcomed the report and noted that it was seeking to address the concerns raised by residents about the increasing number of HMOs in five specific wards.
- 124.3 Councillor G. Theobald stated that he had thought the majority of residents had indicated their opposition to the proposal during the consultation exercise.
- 124.4 The Senior Team Planner confirmed that in looking at the responses on a technical basis the majority were against the proposal, however in looking at the issues raised it was evident that a large proportion of the responses were concerned about the increasing number of student houses and their impact on the area. He stated that a number of the wards did have capacity for further HMOs, however a significant number were concentrated in small areas which was having an impact.
- 124.5 The Chair stated that the proposed change was about the number of HMOs and not just student accommodation and would not be retrospective. He noted that anyone could apply for a change of use and that the aim was to be able to take account of the area in question and he had raised this with student representatives who recognised the concern and understood the council's position. He then put the recommendations to the vote.

124.6 RESOLVED:

- (1) That the direction under article 4 of the Town and Country Planning (General Permitted Development) Order 1995 (as amended) to remove the permitted development right to change the use of a building from a dwelling house (Class C3) to a House in Multiple Occupation (Class C4) within the five electoral wards for the reasons outlined in this report be confirmed; and
- (2) That having confirmed the direction in (1) above, it be noted that the direction would come into force on 5 April 2013.

Note: The Chair then adjourned the meeting for a short comfort break at 6.30pm

The Chair reconvened the meeting at 6.35pm.

125 CONTRACTUAL ARRANGEMENTS FOR STRENGTHENING THE KING'S ROAD ARCHES

125.1 The Strategic Director; Place introduced the report which detailed the council's responsibility for the management and upkeep of the seafront structures. He stated that strengthening works had had to be undertaken and approval was now being sought for the overall contract for strengthening works to be carried out in association with the i360 development.

125.2 Councillor Peltzer Dunn referred to recommendation 2.2 of the report and queried whether sufficient information had been included in the report in regard to the contractual arrangements that were being agreed.

125.3 The Lead Commissioner, City Regulation & Infrastructure stated that an existing contract for the overall improvement works had been previously approved and the proposal was to expand the necessary works between Alfresco's restaurant and the West Pier to take account of the urgent strengthening works and the works required that were associated with the i360 development.

125.4 Councillor West stated that the proposed works would also bring a number of the seafront arches back into use which would benefit the area.

125.5 The Chair then put the recommendations to the vote.

125.6 RESOLVED:

- (1) That the urgency and essential nature of the initial strengthening works to the seafront Arches and the additional, associated opportunities and benefits that these works present regarding the delivery of the i360 viewing tower be recognised;
- (2) That the award of the scheme contract for the urgent and essential strengthening works to the seafront arch structures between Alfresco's Restaurant and the West Pier (referred to as Arch Numbers 36-61), under the 'Coast Protection and

Highway Structures Maintenance Framework Agreement 2012 – 2015' be approved; and

- (3) That it be agreed that priority should be given to identifying and allocating funding from within the council's budgets to enable the planned strengthening works and internal refurbishment to be undertaken during 2012/13 to 2014/15, to coincide with the planned construction programme for the i360 viewing tower.

126 FUNDING FOR ROAD WORKS PERMIT SCHEME BUSINESS CASE

126.1 The Strategic Director; Place introduced the report which detailed the recommendations of the Transport Committee to establish a road works permit scheme for the city, to enable the scheduling of works and the monitoring of those works. He stated that approval was sought for the set up costs of the scheme and noted that it was intended that the scheme would be self-financing thereafter.

126.2 The Chair welcomed the report and stated that he hoped it would lead to an improved scheduling of road works throughout the city and less disruption to residents.

126.3 Councillor G. Theobald welcomed the report and suggested that it would be helpful to ensure that there was an indication as to who was responsible for the works being undertaken, so that those affected were aware of who was causing the disruption rather than assuming it was the council.

126.4 The Lead Commissioner, City Regulation & Infrastructure noted the suggestion and stated that officers needed to look at the various options and design for the proposed scheme and would take this into account.

126.5 The Chair then put the recommendations to the vote>

126.6 RESOLVED:

- (1) That the Transport Committee's recommendation to implement a road works permit scheme for Brighton & Hove be agreed;
- (2) That the one-off, non recoverable funding of up to £100k for engagement of specialist consultants to support the bid documentation design of a permit scheme system for Brighton & Hove be approved; and
- (3) That up to £225k of recoverable funding to set up the permit team staff, equipment and systems required to run the scheme be approved.

127 DEVELOPMENTS AT CRAVEN VALE

127.1 The Director of Adult Social Services introduced the report which detailed a proposal to expand the number of bedrooms at Craven Vale from 20 to 51, with 44 being set aside for community short-term beds. She noted that this was in line with recommendations of the short-term strategic review and would enable the council to reduce its sites down to two and thereby help to reduce time spent travelling between sites and increase the time spent on service user care. The Director stated that Craven Vale was

underdeveloped and therefore provided an opportunity to improve usage and efficiency. She also noted that there was a need to amend recommendation 2.5 slightly, in order to comply with financial regulations and referred to the amendment that had been circulated.

127.2 The Chair welcomed the report and noted that the development would reduce bed-blocking and therefore should have an on-going benefit for the community care budget.

127.3 Councillor A. Norman welcomed the report and stated that Craven vale was a highly regarded facility and the expansion should only enhance its reputation.

127.4 Councillor Mitchell welcomed the report and noted that attendance had dwindled recently and therefore sought assurance that services would not be withheld.

127.5 Councillor Hamilton also queried whether there would be sufficient number of beds to enable patients to move out of hospital.

127.6 The Director of Adult Social Services stated that the local authority was working with Private Nursing Homes to ensure that there was capacity to meet hospital discharges and was also working with the CCG to look at the use of other facilities to maintain re-enablement effectively.

127.7 The Chair noted the comments and put the recommendations as amended to the vote.

127.8 **RESOLVED:**

- (1) That it be noted that the development would be delivered by Property & Design using the Council's existing Strategic Construction Partnership;
- (2) That delegated power be given to the Director of Adult Social Services and the Director of Finance to enter into a building contract with an estimated value of £2.2million; and
- (3) That the Craven Vale Development be added to the Capital Programme and the Capital Project be approved at a total cost of £2.883m (£1.442m in 2013/14 and £1.441m in 2014/15) to be funded as proposed in paragraph 5.2 of the report.

128 SHARED SERVICES REVIEW

128.1 The Director of Finance introduced the report which had been requested by the committee and provided details of the key issues surrounding shared services, national learning from other authorities and outlined the current shared, partnership and joint services that the council was involved in. She also drew the committee's attention to the proposed guiding principles for future shared services activity by the council.

128.2 Councillor West welcomed the report and stated that it was helpful to have the information set out as to what was already taking place in the council and what was being taken forward. He believed the set of principles were very good and provided for potential opportunities to undertake shared, partnership of joint working.

128.3 Councillor G. Theobald welcomed the report and hoped that the Chief Executive would ensure that more was done in the future as there were excellent examples of shared services around the country.

128.4 The Chair noted the comments and stated that it was a very helpful report and good to see the breadth of arrangements that were in place which ranged from small-scale activities to joint working across the SE7 area. He then put the recommendations to the vote.

128.5 RESOLVED:

- (1) That the report, in particular the range of current shared service type arrangements set out in Appendix 1 to the report be noted;
- (2) That the development of further shared service arrangements where this is consistent with four guiding principles set out in paragraph 3.11.2 of the report be agreed; and
- (3) That the Chief Executive be requested to review existing shared service arrangements and potential new shared services arrangements in support of the Council's Medium Term Financial Strategy, Value for Money Programme and modernisation agenda and alongside other alternative service delivery models.

129 HEALTH AND SAFETY ANNUAL SERVICE PLAN 2013/14

129.1 **RESOLVED TO RECOMMEND:** That the proposed Health & Safety Annual Service Plan 2013/2014 as detailed in Appendix 1 to the report be recommended to the full Council for approval.

130 REVIEW OF MEETINGS TIMETABLE 2013/14

130.1 **RESOLVED:** That the proposed timetable of meetings for 2013/14 be approved.

131 ITEMS REFERRED FOR COUNCIL

131.1 No items were referred to the next council meeting.

Part Two Summary

132 PAY MODERNISATION - EXEMPT CATEGORIES 4 AND 5

Note: *The Special Circumstances for non-compliance with Council Procedural Rule 23, Access to Information Procedure Rule 5 and Section 100B (4) of the Local Government Act 1972 (as amended), (items not considered unless the agenda is open to inspection at least five clear days in advance of the meeting), were that the information necessary for the report and the consultation with relevant persons was not finalised in time fro the publication of the agenda. The Committee needed to make the decision at the meeting so that negotiations could start as early as possible.*

132.1 **RESOLVED:** That the Chief Executive and Director of Finance be authorised to agree the detailed financial package within the parameters set out in paragraph 5.4 of the report.

133 PART TWO MINUTES - EXEMPT CATEGORY 3

133.1 The part two minutes of the meeting held on the 29th November 2012 were approved as a correct record of the proceedings and signed by the Chair.

134 PART TWO PROCEEDINGS

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

The meeting concluded at 8.00pm

Signed

Chair

Dated this

day of

2013

Subject: Petitions
Date of Meeting: 14 February 2013
Report of: Interim Lead for the Chief Executive's Services
Contact Officer: Name: Mark Wall Tel: 29-1006
E-mail: mark.wall@brighton-hove.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

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

2. RECOMMENDATIONS:

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

3. PETITIONS

- 3.1 Notified petitions:
- 3.1.1 (i) **Vote of no confidence in the current Green Administration and the establishment of a coalition between Conservative, Labour and independent councillors.**

To receive the following petition referred from the meeting of Full Council on 31 January 2013 and signed by 661 people:

“We the undersigned petition the council to request that the Labour and Conservative groups form a coalition administration and take over the running of the city from the current Green administration.

The current administration has shown a profound lack of understanding with regards to business in the city of Brighton and Hove. Increased parking charges and money wasted on cycle routes that are hardly used are just two of the glaring acts of vandalism that the Green administration have committed. Before more businesses and jobs and frontline services are lost due to their mismanagement the other parties represented in the council put down their cudgels and form a coalition to run the city until the next local election. The damage that will be done to the city over the next two years could take decades to recover from. With your help we can return the city to prosperity whilst improving the environment and creating jobs. We need people in charge of the city who are interested in its citizens. Leaving the Greens to mess up and hope people won't vote for them next time is not a sustainable policy.”

Lead petitioner – Mr. Adam Campbell

3.2 To receive any other petitions:

Subject:	Targeted Budget Management (TBM) 2012/13 Month 9		
Date of Meeting:	14th February 2013		
Report of:	Director of Finance		
Contact Officer:	Name:	Jeff Coates	Tel: 29-2364
	Email:	Jeff.coates@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1 SUMMARY 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 outturn position as at Month 9 on the council's revenue and capital budgets for the financial year 2012/13. This is an important monitoring period in the context of considering expenditure trends and the potential implications this has for setting next year's budget. The financial position reported as at month 9 is therefore reflected in the 2013/14 General Fund and Housing Revenue Account budget reports, also on this agenda, in terms of both implications for one-off resources and ongoing expenditure trends.

2 RECOMMENDATIONS:

- 2.1 That the Committee note the forecast outturn position for the General Fund, which is an underspend of £4.213m.
- 2.2 That the Committee note the forecast outturn for the Housing Revenue Account (HRA), which is an underspend of £1.304m.
- 2.3 That the Committee note the forecast outturn for the Dedicated Schools Grant (DSG) which is an underspend of £0.367m.
- 2.4 That the Committee note the forecast outturn position on the capital programme.
- 2.5 That the Committee approve the following changes to the capital programme:
 - i) The budget re-profiling and budget variations as set out in Appendix 2;
 - ii) The carry forward of slippage into the 2013/14 capital programme to meet on-going commitments on these schemes as set out in Appendix 2;
 - iii) The new schemes as set out in Appendix 3.

3 RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

Targeted Budget Management (TBM) Reporting Framework

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

General Fund Revenue Budget Performance (Appendix 1)

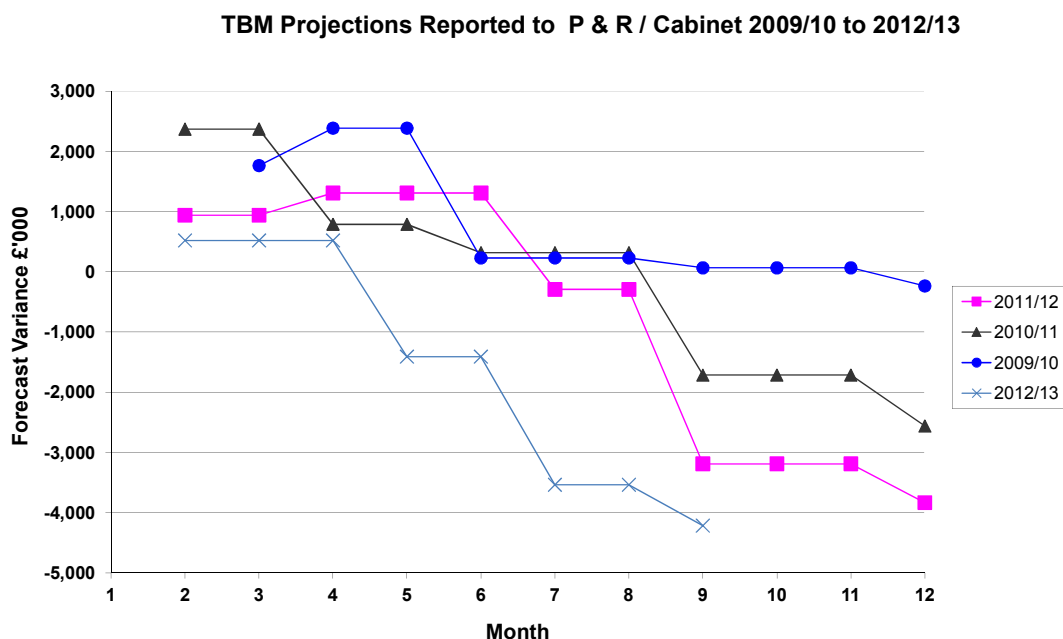
- 3.3 The table below shows the provisional outturn for Council controlled revenue budgets within the General Fund. More detailed explanation of the variances can be found in Appendix 1.

Forecast Variance Month 7 £'000	Strategic Area	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(4,005)	People	129,063	123,929	(5,134)	-4.0%
820	Environment, Development & Housing	47,461	48,507	1,046	2.2%
760	Communities	12,214	12,886	672	5.5%
(188)	Resources & Finance	37,569	37,325	(244)	-0.6%
(2,613)	Sub Total	226,307	222,647	(3,660)	-1.6%
(921)	Corporate Budgets	(4,948)	(5,501)	(553)	-11.2%
(3,534)	Total Council Controlled Budgets	221,359	217,146	(4,213)	-1.9%

- 3.4 The General Fund includes Commissioning Units and Service Delivery Units, which are organised under the strategic areas of People, Environment, Development & Housing, and Communities. These, together with Resource & Finance Units and Corporate Budgets make up the General Fund services reported above.

Comparison with Previous Years

- 3.5 The chart below shows a comparison of the forecasts reported to Cabinet / Policy & Resources for the council controlled budgets for this and the previous 3 financial years.



Corporate Critical Budgets

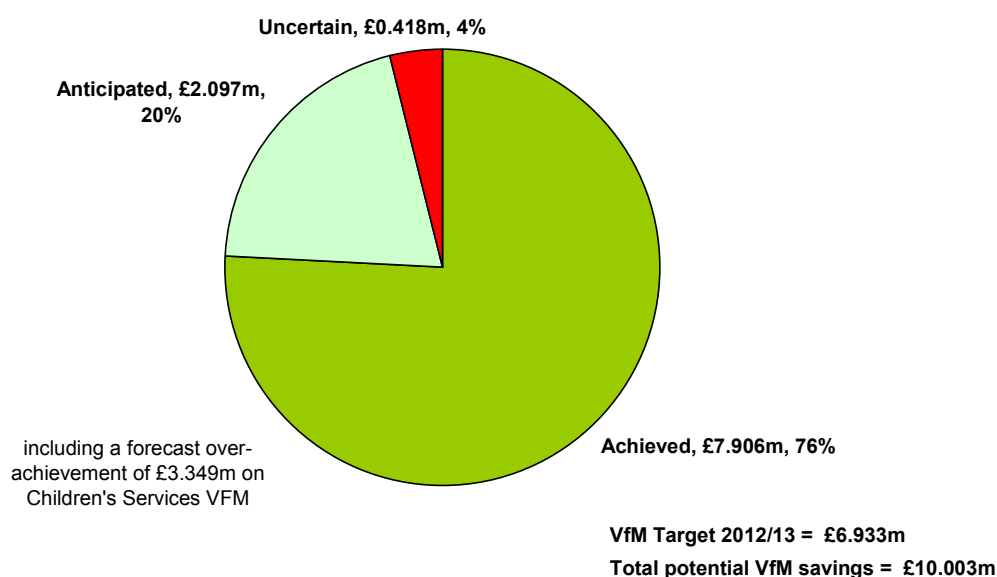
- 3.6 There are a number of budgets that carry potentially higher financial risks and therefore could have a material impact on the council's overall financial position. These are significant budgets where demand or activity is difficult to predict and where relatively small changes in demand can have significant implications for the council's budget strategy. These therefore undergo more frequent and detailed analysis.

Forecast Variance Month 7 £'000	Corporate Critical	2012/13 Budget £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(2,981)	Child Agency & In House	22,133	18,871	(3,262)	-14.7%
(1,474)	Community Care	43,919	41,864	(2,055)	-4.7%
331	Sustainable Transport	(15,133)	(14,704)	429	2.8%
304	Temporary Accommodation	992	1,124	132	13.3%
(352)	Housing Benefits	(752)	(1,104)	(352)	46.8%
(4,172)	Total Council Controlled	51,159	46,051	(5,108)	-10.0%

Value for Money (VfM) Programme

- 3.7 TBM reports also provide updates on the council's Value for Money programme. The VfM programme contains a number of large, complex projects which include additional temporary resources (e.g. Project Managers) to ensure they are properly planned and implemented. Projects can have significant financial and non-financial targets attached to them and their successful implementation is therefore important to the overall financial health of the authority.
- 3.8 Some VfM projects carry significant risks and may need specialist advice or skills that can be in short supply or they may need to navigate complex procurement or legal processes. Therefore, each month the TBM report quantifies progress in terms of those savings that have been achieved, those that are anticipated to be achieved (i.e. low risk) and those that remain uncertain (i.e. higher risk). Those that are uncertain are given greatest attention and details of mitigating actions are given wherever possible.
- 3.9 Potential savings exceed the VfM target. Achievements of savings against the target represent 76% of total potential VfM savings. The level of 'uncertain' savings is £0.418m (4%) as shown in the chart below. Further information about the risks and actions relating to uncertain savings is given in Appendix 4.

Value for Money Programme (All Phases) - 2012/13 Monitoring



Housing Revenue Account Performance (Appendix 1)

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

Forecast Variance Month 7 £'000		2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Variance Month 9 %
	HRA				
(717)	Expenditure	52,600	51,600	(1,000)	-1.9%
(328)	Income	(53,000)	(53,304)	(304)	-0.6%
(1,045)	Total	(400)	(1,704)	(1,304)	

NHS Controlled S75 Partnership Performance (Appendix 1)

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

Forecast Variance Month 7 £'000		2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
	Section 75				
(388)	NHS Trust managed S75 Services	13,081	12,354	(727)	-5.6%

Capital Programme Performance (Appendix 2)

- 3.13 Capital programme performance needs to be looked at from 4 different viewpoints as follows:
- Forecast Variances:** The 'forecast' for a scheme or project indicates whether it is expected to be break-even, underspent or overspent. Information on how forecast overspends will be mitigated is given in Appendix 2. If the project is completed, any underspend or overspend will be an outturn variance. Generally, only explanations of significant forecast variances of £0.050m or greater are given.
 - Variations:** These are changes to the project budget within year, requiring members' approval, and do not change future year projections. The main reason for budget variations is where capital grant or external income changes in year.
 - Slippage:** This indicates whether or not a scheme or project is on schedule. Slippage of expenditure from one year into another will generally indicate overall delays to a project although some projects can 'catch up' at a later date. Some slippage is normal due to a wide variety of

factors affecting capital projects however substantial amounts of slippage across a number of projects could result in the council losing capital resources (e.g. capital grants) or being unable to manage the cashflow or timing impact of later payments or related borrowing. Wherever possible, the council aims to keep slippage below 5% of the total capital programme.

- iv) **Reprofiling:** Reprofiling of expenditure from one year into another is requested by project managers when they become aware of changes or delays to implementation timetables due to reasons outside of the council's control. Reprofiling requests are checked in advance by Finance to ensure there is no impact on the council's capital resources before they are recommended to Policy & Resources.

3.14 The table below provides a summary of capital programme performance by strategic theme and shows that overall the programme is forecasting an underspend of £1.743m which is detailed in appendix 2. Also within Appendix 2 for each budget area there is a breakdown of the capital programme by Unit.

Forecast Variance Month 7 £'000	Capital Budgets	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Outturn Month 9 %
0	People	24,162	23,662	(500)	-2.1%
(14)	Environment, Development & Housing	54,999	53,793	(1,206)	-2.2%
(35)	Communities	4,782	4,745	(37)	-0.8%
0	Resources & Finance	9,887	9,887	0	0.0%
(49)	Total Capital	93,830	92,087	(1,743)	-1.9%

3.15 Appendix 2 also details any slippage into next year. In total, project managers have forecast that £3.426m of the capital budget may slip into the next financial year and this equates to 3.65% of the budget.

Capital Programme Changes

3.16 Appendix 2 and Appendix 3 provide details of changes to capital budgets which are included in the budget figures above. Appendix 2 details variations, re-profiled schemes and slippage whilst Appendix 3 provides details of new schemes included in the 2012/13 capital programme. Policy & Resources Committee's approval for these changes is required under the council's Financial Regulations.

Capital Budget Movement	2012/13
Summary	Budget £'000
Approved Capital Budget at Month 7	105,524
Changes reported through other Committees	0
Variations to Budget (to be approved – Appendix 2)	(9,395)
Slippage (to be noted – Appendix 2)	(3,426)
New Schemes (to be approved – Appendix 3)	1,127
Total Capital Budget Month 9	93,830

Implications for the Medium Term Financial Strategy (MTFS)

- 3.17 The council's MTFS sets out resource assumptions and projections over a 3-year period. It is periodically updated including a major annual update which is included in the annual revenue budget report to Policy & Resources Committee and Full Council. This section highlights any potential implications for the current MTFS arising from in-year TBM monitoring above and details any changes to financial risks together with any impact on associated risk provisions, reserves and contingencies. Details of Capital Receipts and Collection Fund performance are also given below because of their potential impact on future resources.
- 3.18 Details of risk provisions currently held are given in the Corporate Budgets section of Appendix 1. The current forecast trend indicates that risk provisions are not required in full during 2012/13. The use of one-off risk provisions of £0.734m is assumed in the forecast, with the remaining balance (£0.266m) contributing to the reported underspend. Recurrent risk provision of £0.760m is also unlikely to be required and also contributes to the overall underspend position at Month 9. It should also be noted that, based on the month 9 projection, the council will benefit from approximately £0.300m as part of its 50/50 risk share arrangements with Sussex Partnership Foundation Trust under a Section 75 Agreement.

Capital Receipts Performance

- 3.19 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, Asset Management Fund, ICT Fund and the Workstyles VFM projects. For 2012/13, £1.124m capital receipts have been received to date in connection with the disposal of 1a Major Close, the Charter Hotel at Kings Road, the deposit for Patcham Place and some minor leases. Projected receipts for the year include the Ice Rink at Queen's Square.
- 3.20 The Government receive 75% of the proceeds of 'right to buy sales'; the remaining 25% is retained by the Council and used to fund the capital programme. The estimated net usable receipts for 'right to buy' sales in 2012/13 is £0.400m and to date £0.291m has been received.
- 3.21 The first three tranches of receipts totalling £5.164m from the housing Local Delivery Vehicle (LDV) have been received in 2012/13. A total balance of £7.797m is expected for the year. The net receipts are ring-fenced to support investment in council owned homes.

Collection Fund Performance

- 3.22 The collection fund is a separate account for transactions in relation to national non domestic rates, council tax and precept demands. Any deficit or surplus forecast on the collection fund in relation to council tax is distributed between the council, Sussex Police and East Sussex Fire Authority in proportion to the value of the respective precept on the collection fund. It is currently forecast to break even by 31st March 2013. This forecast includes the improved position of £0.162m resulting from a lower than anticipated deficit at 31st March 2012.

Comments of the Director of Finance (S151 Officer)

- 3.23 There continue to be a small number of pressure points within the budget but the overall position for 2012/13 remains very positive, primarily due to overachieved savings across Adult and Children's social care budgets. Although the deployment of some one-off and recurrent risk provisions has been necessary, there remain balances of over £1m which will be released to provide one-off resources to support the 2013/14 budget reported elsewhere on this agenda.
- 3.24 The positive position does not however mean that controls should be relaxed in 2012/13. Every effort will be made to ensure overspending areas are mitigated to avoid starting 2013/14 with unresolved pressures and strict controls over vacancy management, consultancy spend and other supplies & services budgets will remain in place.

4 COMMUNITY ENGAGEMENT AND CONSULTATION

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

5 FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

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

Finance Officer Consulted: Jeff Coates

Date: 21/01/2013

Legal Implications:

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

Lawyer Consulted: Oliver Dixon

Date: 21/01/2013

Equalities Implications:

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

Sustainability Implications:

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

Crime & Disorder Implications:

- 5.5 There are no direct crime & disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 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 minimum working balance of £9.000m to mitigate these risks as recommended by the Audit Commission and Chartered Institute of Public Finance & Accountancy (CIPFA). The council also maintains other general and earmarked reserves and contingencies to cover specific project or contractual risks and commitments.

Public Health Implications:

- 5.7 There are no direct public health implications arising from this report.

Corporate / Citywide Implications:

- 5.8 The Council's financial position impacts on levels of Council Tax and service levels and therefore has citywide implications.

6 EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The provisional outturn position on council controlled budgets is an underspend of £4.213m. Any underspend at year-end would release one off resources that could be used to aid budget planning for 2013/14. Any overspend at year-end would need to be funded from general reserves which would then need to be replenished to ensure that the working balance was maintained at £9.000m.

7 REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Budget monitoring is a key element of good financial management, which is necessary in order for the council to maintain financial stability and operate effectively.
- 7.2 The capital budget changes are necessary to maintain effective financial management.

SUPPORTING DOCUMENTATION

Appendices:

1. Revenue Budget Performance
2. Capital Budget Performance
3. Capital Budget Changes (New Schemes)
4. Value for Money Programme Performance

Documents in Members' Rooms:

None.

Background Documents

None.

Appendix 1 – Revenue Budget Performance

People - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(3,241)	Commissioner - Children's Youth & Families	22,580	19,119	(3,461)	-15.3%
(250)	Commissioner - Learning & Partnership	5,296	4,966	(330)	-6.2%
433	Delivery Unit - Children's & Families	35,306	35,349	43	0.1%
(3,058)	Total Children's Services	63,182	59,434	(3,748)	-5.9%
(30)	Commissioner - People	2,230	2,116	(114)	-5.1%
(1,273)	Delivery Unit - Adults Assessment	49,025	47,224	(1,801)	-3.7%
356	Delivery Unit - Adults Provider	14,626	15,155	529	3.6%
(947)	Total Adult Services	65,881	64,495	(1,386)	-2.1%
(4,005)	Total Revenue - People	129,063	123,929	(5,134)	-4.0%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Commissioner – Children, Youth & Families			
(3,397)	Corporate Critical - Children's Agency Placements	The current projected number of residential placements (24.25 FTE) is broken down as 20.61 FTE social care residential placements (children's homes), 3.36 FTE schools placements, 0.28 FTE family assessment placements and 0.00 FTE substance misuse rehabilitation placements. The budget allows for 25.40 FTE social care residential care placements, 9.00 FTE schools placements, 1.50 FTE family assessment placements and 0.60 FTE substance misuse rehab placements. The number of projected placements remains very low	<ul style="list-style-type: none"> • Although underspending in total, there are areas of pressure within Children's Agency Placement budgets. In particular, the Children's Services Value for Money (VFM) project is effectively addressing the level of activity and spend in IFAs. The plan focuses on strengthening preventive services and streamlining social care processes including: • implementing a tiered approach to the procurement of placements for looked after children, reducing the proportion of high cost

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>compared with historic averages and it is not yet known whether this level of activity is sustainable. It is currently 12.25 FTE below the budgeted level creating an underspend of £1.624m.</p> <p>The numbers of children placed in independent foster agency (IFA) placements, for the first time in several years has begun to fall. During 2011/12 there were 164.52 FTE placements representing a 13.5% increase on the previous year (following a 23% increase from 2009/10). Currently there are 187.81 projected FTE placements. This is considerably less than anticipated in the budget which is based on 206.50 placements resulting in an anticipated underspend of £1.197m.</p> <p>The current projected number of disability placements is 15.26 FTE with an average unit cost of £2,237.84. The number of placements is 2.35 FTE below the budgeted level. The average weekly cost of these placements is £69.96 lower than the budgeted level and the combination of these two factors together with a projected underspend of £0.034m on respite placements, results in an underspend of £0.372m.</p> <p>It is currently anticipated that there will be 0.87 FTE secure (welfare) placements and 1.19 FTE secure (justice) placements in 2012/2013. The budget allows for 1.25 FTE welfare and 0.75 FTE justice placements during the year. There is currently one child in a secure (welfare) placement and one in a secure (criminal) placement resulting</p>	<p>placements</p> <ul style="list-style-type: none"> • improving the commissioning and procurement of expert assessments in care proceedings, strengthening arrangements for early permanence planning and increasing the numbers of in house foster placements able to provide tier 1 care. • strengthening early intervention and preventive services and commissioning a transformation change programme to support the re-structuring of social work services in the Children's Delivery Unit

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		in a projected underspend of £0.204m	
(64)	Other	Minor underspend variances	
Commissioner – Learning & Partnership			
(259)	Home to School Transport	There is an underspend of £0.259m which reflects the continued reduction in the numbers of children being transported as well as the favourable terms of the renegotiated contracts in the summer.	
(71)	Other	Minor underspend variances	
Delivery Unit – Children & Families			
(77)	Social Work Teams	The Social Work Teams are currently projected to underspend by £0.077m in 2012/13.	
110	Management & Administration Savings	There is also a potential overspend resulting from the current shortfall in the Management and Admin savings target for this branch. The original target of £0.697m was subsequently reduced to £0.447m but savings identified through the Voluntary Severance Scheme and use, where appropriate of the Dedicated Schools Grant (DSG) had left a shortfall still to be found. Since then savings of £0.040m have been identified reducing the overspend to £0.110m .	Vacancies will be scrutinised carefully to consider further potential opportunities to contribute to this saving as and when they arise. £0.040m has already been identified and the budget will be rebased in 2013/14.
51	Care Leavers	Currently the Unaccompanied Asylum Seeking Children team are projecting minimal growth in ex asylum seekers being supported resulting in an underspend of £0.149m . This underspend is offset by a projected overspend of £0.200m against the Leaving Care budget.	Costs will be monitored closely over the next few months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. Increased activity in care leavers is linked to reductions in Looked After Children so spend in this area is supporting the VFM savings above.
(84)	Legal Fees	Legal fees are currently projected to be	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		underspent. This is made up of £0.037m underspend on independently commissioned social work and medical assessments and £0.047m underspend for legal/court fees. The underspend on independent assessments is due to the VFM programme to utilise the Clermont CPU team to undertake these assessments.	
203	Adoption Payments	The latest projection on adoption payments to out of authority providers shows a projected overspend of £0.261m based on a detailed estimate provided by the Head of Service. Other adoption payments to individuals in Brighton and Hove show an underspend of £0.058 due to a reduction in anticipated allowances.	Costs will be monitored closely over the next few months and efforts made to reduce costs or identify mitigating savings to bring this budget back in balance where possible. Increased activity in this service, through a spend to save business case forms part of the VFM programme so it is anticipated that resources may be switched in future years.
135	Corporate Critical- In House Foster Payments	Overspend of £0.135m predominantly relates to increase in Special Guardianship orders where 66 placements were budgeted for but current numbers are 88.	Implementing a tiered approach to the procurement of placements reducing the proportion of high cost placements
(243)	Early Years	Mainly due to underspendings on staffing with holding of vacant posts and increased income in nurseries.	
(52)	Other	Minor underspend variances	
Commissioner – People			
(114)	Commissioner - People	Increase in underspend from savings against contracts.	
Delivery Unit – Adults Assessment			
see below	Assessment Services	Assessment Services are reporting an underspend of £1.801m at Month 9 (representing 4.2% of the net budget), an increase in underspend of £0.408m from Month 7. Significant progress has already been made in meeting the 2012/13 savings target in full. There is a risk of £0.400m	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		against extra care housing in particular. The underspend is split against client groups as follows:	
(1,205)	Corporate Critical - Community Care Budget (Older People)	Older People services are reporting an underspend of £1.205m which is a continuation of the financial trends seen during 2011/12 and builds upon the success of reablement and other initiatives in delivering ongoing efficiencies. The improvement of £0.442m from Month 7 is due mainly to a net reduction in residential client numbers of 6 WTE (£0.170m); improved income contributions linked to individual clients (£0.140m) and a reduction in homecare commitments of approximately £0.100m.	
(1,036)	Corporate Critical - Community Care Budget (Learning Disabilities)	Learning Disabilities are showing an underspend of £1.036m due mainly to the full year effect of management decisions taken during 2011/12 and the successful re-negotiation of contracts and the improved identification of appropriate funding streams. This reflects an improvement of £0.089m from Month 7.	
186	Corporate Critical - Comm. Care Under 65's	Under 65's are currently showing an overspend of £0.186m. This reflects increased complexity (e.g. Acquired Brain Injury) in small numbers of high cost placements	Activity and growth projections being actively monitored. Offset by underspends against other client groups. The budget allocations across all client groups will be reviewed to reflect activity levels and costs for 2013/14.
254	Support & Intervention Teams	The £0.200m savings target for the re-modelling of staffing arrangements in Assessment Services will not be met in full this financial year.	Plans are being developed for 2013/14 to deal with this pressure. For 2012/13 savings are being made from Community Care (as above)
Delivery Unit – Adults Provider			
529	Provider Services	Provider Services are reporting a pressure of £0.529m at Month 9 (representing 3.6% of the net budget). The pressure is mainly from the risks	An implementation plan for Learning Disabilities accommodation is now in place, following agreement at September Adult Care & Health

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		<p>against delivery of budget strategy savings on Learning Disabilities Accommodation (£0.311m) as a result of the deferment of a decision at the June meeting of Adult Care & Health Committee; a further proposal was accepted at the September meeting of the Committee. Also, there has been a delay in developing proposals on day activities.</p> <p>A review of the Provider forecasts has increased the position by £0.118m from Month 7 mainly due to increases in the respite service of £0.061m, Home Care of £0.049m and Able & Willing of £0.031m following a review of income levels. The management of Knoll House has transferred from Sussex Community NHS Trust and is showing a pressure of £0.072m at Month 9.</p>	<p>Committee. However, there are risks attached to the delivery of this plan. The cost as a result of the delay in implementing savings in day services has been offset for this year by the Community Care budget.</p> <p>Discussions are ongoing with the PCT to reflect the additional resources required to support Knoll House.</p>

Environment, Development & Housing - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
562	Transport	(3,806)	(3,146)	660	17.3%
10	City Infrastructure	29,219	29,222	3	0.0%
13	City Regeneration	938	964	26	2.8%
0	Planning & Public Protection	4,722	4,772	50	1.1%
585	Total Non Housing Services	31,073	31,812	739	2.4%
235	Housing	16,388	16,695	307	1.9%
820	Total Revenue - Environment, Development & Housing	47,461	48,507	1,046	2.2%

Explanation of Key Variances:

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Transport			
429	Corporate Critical – Parking Operations	There is a shortfall in the level of on-street pay and display income leading to a forecast pressure of £0.750m. There was a clear pattern of poor weather through much of 2012 that has had a particularly negative impact on the on-street parking revenue. In addition, a migration away from cars to bus and cycle use, and car users switching from two hour stays to one hour stays has also contributed to this. Uncertainty over the level of the contribution from NCP for the two leased car parks has lead to a	The London Road off street car park is forecast to achieve additional income of £0.210m. Trafalgar Street and Regency Square will underspend on their revenue maintenance and electricity budgets by £0.082m owing to the capital programme works in year. Efficiencies in the removals service and enforcement contract variations will lead to expenditure savings of £0.116m. The forecast for permit income shows a surplus against budget of £0.210m, and there will be an additional underspend of £0.025m on Blue

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>forecast pressure of £0.032m.</p> <p>An extension to the period of refurbishment at Trafalgar Street and Regency Square is likely to reduce the income capacity by £0.265m, and a shortfall in the level of income at the HRA High Street car park will cause a pressure of £0.012m.</p> <p>A reduction in the level of Bus Lane Enforcement notices is also expected to cause a pressure of £0.100m.</p> <p>An unresolved dispute over insurance invoices and repair costs at the Lanes Car Park is likely to lead to an overspend against budget of £0.060m.</p>	<p>Badge permits. Vacancy management savings will contribute a further £0.027m underspend. A reduction in the level of bad debt provision on Penalty Notices will lead to an underspend of £0.120m. These underspends will partially offset the risks above.</p> <p>The setting of fees and charges for parking for 2013/14 have taken into account patterns of demand experienced in the current financial year.</p>
151	Highways	<p>There is a pressure of £0.100m relating to the roads safety maintenance budget as the result of a wet summer. The remaining £0.051m is in respect of specialist support staff relating to North Street, and to the permit scheme for road works and closures.</p>	<p>Efforts have been made to try and identify areas where underspends can be achieved in order to offset the pressures identified. One off funding of £0.100m is included in the 2013/14 budget proposals for the establishment of a road works permit scheme. This should contribute to reducing this pressure through ensuring better quality and more co-ordinated repairs. In addition there is further capital funding for road maintenance which should begin to address the deficit for minor road repairs</p>
80	Highways Engineering	<p>There is a pressure on the Highways and Engineering Projects Team and their ability to recharge sufficient time to capital projects to meet budget.</p>	<p>It has not been possible to recharge further costs to capital projects, Service pressure funding has been included in the 2013/14 budget.</p>
City Infrastructure			
(53)	City Clean	<p>One-off staffing savings (£0.046m) in relation to maternity leave and vacancy management.</p>	
56	City Parks	<p>Shortfall in the level of income from Roedean and Rottingdean mini golf courses (£0.040m) and</p>	<p>Underspends in City Clean will mainly offset the pressures in City Parks. Efforts will be made to</p>

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		grounds maintenance (£0.016m).	manage staff time for the remainder of the year, to try and bring back to breakeven.
City Regeneration			
26	Economic Development	Minor overspends.	Expenditure forecasts will be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to a breakeven one.
Planning & Public Protection			
50	Development Planning	This relates to the cost of agency staff covering long term sickness.	Expenditure forecasts will continue to be reviewed to determine whether there is scope to make savings elsewhere in order to bring the position back to a breakeven one.
Housing			
82	Corporate Critical Temporary Accommodation & Allocations (Excluding LDV - See Below)	We have managed down the anticipated pressure on spot purchase accommodation from homeless households by improved prevention and tighter void management in leased properties.	This is a known service pressure area that needs to be managed in the context of the whole council budget position and has been considered in setting the 2013/14 budget. As a mitigating action, we will try to acquire more accommodation through the framework agreement, which is currently being put together.
50	Corporate Critical Local Delivery Vehicle (LDV)	This pressure is down to the increase of 3.2% on the contract price which has not been supported by an increase in Local Housing Allowance Rates.	This pressure has been considered in developing the 2013/14 budget.
223	Housing & Social Inclusion	This was forecast to come in on budget until December 2012 when a number of trespassers moved on to the Horsdean Transit site. The incursion introduced Health and Safety risks to the site. As a result we have incurred unexpected expenditure to provide additional security and staff to manage these risks. There was also increased pressure on the facilities at the site resulting in	The trespassers have been evicted from site. The Travellers Liaison Service and the Horsdean Transit Site are now subject to an operational management review to ensure that the service can operate as efficiently as possible and is budgeted for appropriately. The 2013/14 budget report includes extra funding to allow for changes to the management of the service.

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		unexpected maintenance requirements. Remedial work was also required on site to deal with a flooding risk as a result of the exceptionally high rainfall. An initial review of the incident has indicated that changes need to be made to the site and the management of the site to prevent future breaches.	
42	Housing Support Services	As identified at Month 5, the increase in vulnerability of clients in hostels has meant that more staff have been employed to cope with this. Some of these overspends have been offset by increased income due to 7 extra rooms across the hostel service. At Month 7, Further staff have been employed in the Housing Support Services, costing £0.087m which has been funded from the Homelessness prevention budget to meet the demand due to increase in vulnerability. At Month 9, funding of £0.030m from Supporting People has been transferred to offset some of the pressures caused by the extra staff in hostels.	This is a known service pressure area that needs to be managed in the context of the whole council budget position and has been considered in setting the 2013/14 and 2014/15 budget.
(118)	Lead Commissioner	The under spend identified at month 2 is due to over-achievement of value for money Management & Admin savings and savings against budgeted pension contributions. This underspend is being used to offset pressure against other services within Housing.	
28	Other Housing	Minor staffing overspends.	This increase in staff costs has been more than offset by the reduction in overspend on the TA budget as we have been able to make decisions on cases quicker and by early interventions.

Communities - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
50	Commissioner - Communities & Equalities	3,397	3,447	50	1.5%
185	Community Safety	2,241	2,396	155	6.9%
0	Commissioner - Sports & Leisure	1,423	1,423	0	0.0%
30	Commissioner - Culture	2,004	2,034	30	1.5%
495	Delivery Unit - Tourism & Leisure	3,149	3,586	437	13.9%
760	Total Revenue - Communities	12,214	12,886	672	5.5%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Commissioner – Communities & Equalities			
50	Community Development	The forecast overspend is regarding match-funding for a Community and Voluntary Sector Forum led project "Transforming the Local Infrastructure".	It is hoped to offset this by underspends on other commissions by year end.
Delivery Unit – Community Safety			
155	Community Safety	The forecast overspend across Community Safety is due to the unachievable savings target of £0.079m in respect of the drugs and alcohol services and other budgetary pressures for which options are being explored.	Action continues to be undertaken to reduce the level of overspend. A plan to address ongoing pressures is being developed for the 2013/14 budget. The financial impact regarding the establishment of the Police and Crime Commissioner on the 2013/14 has not yet been confirmed.
Commissioner – Sports & Leisure			
0	Sport and	The forecast across Sport and Leisure commissioning budgets	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
	Leisure	is currently break-even. Essential health and safety works have been carried out at Saltdean Lido under Urgency Powers funded from the General Fund risk provision as previously reported. Options are being developed for the future of the Lido with a report being considered by Policy & Resources Committee in January 2013.	
Commissioner - Culture			
30	Brighton Dome Client Costs	It was anticipated that a reduction in the contractual payment to the Dome for 2012/13 could be negotiated but this has not proved possible in its entirety.	Negotiations have been concluded regarding the inflationary clause for the next 3 year period which is in line with that used in the Medium Term Financial Strategy.
Delivery Unit – Tourism & Leisure			
363	Venues	The Venues forecast overspend is mainly due to reduced bookings for entertainments of £0.396m, which includes the January Holiday on Ice Show, realisation of the impact of low levels of bookings made prior to the refurbishment of the venue for exhibitions and conference bookers of £0.062m, and the consequential reductions in the catering commissions of £0.060m. In addition, there have been unavoidable costs incurred in respect of the venues internet services of £0.013m and a pressure of £0.012m due to the loss of rooms no longer available for functions at the Hove Centre. These overspends have been reduced by vacancy management savings of £0.180m and the overall position has improved by £0.024m from Month 7.	Action is being taken to secure further bookings and maximise future business opportunities, this included the one week Holiday on Ice Show in November 2012 and the three week run of Starlight Express in January 2013 . Conference bookings since January 2012, following completion of the refurbishment works to the Brighton Centre, currently have a future predicted economic impact of £180m far exceeding any previous booking levels. This is for bookings stretching to 2025 and is an indication of an ability to meet future targets.
133	Royal Pavilion and Museums	This overspend is mainly made up of £0.070m due to the delay in implementation of the security review, £0.097m	Consultation on the security review has been completed and

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		underachievement on retail income targets and £0.058m underachievement on catering. These overspends have been reduced by vacancy management savings.	implementation is anticipated by March/April. The new catering contractors are currently mobilizing and will be in place by April. The underachievement on retail has been reduced through the current high profile Biba exhibition however secondary visitor spend remains vulnerable.
(59)	Seafront Services, Tourism & Marketing	The forecast underspend is due to net additional rental income from seafront properties arising from back payment of a rent review. Further income arising from the Race Course and the campsite together with deferred expenditure on the Bandstand of has offset the previously reported pressure across Volks Railway. Income pressures across Visit Brighton are being offset by vacancy management savings.	

Appendix 1 – Revenue Budget Performance

Resources & Finance - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
138	Delivery Unit - City Services	13,437	13,567	130	1.0%
(352)	Housing Benefit Subsidy	(752)	(1,104)	(352)	-46.8%
56	Resources	18,944	18,952	8	0.0%
(30)	Finance	5,940	5,910	(30)	-0.5%
(188)	Total Revenue - Resources & Finance	37,569	37,325	(244)	-0.6%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Delivery Unit – City Services			
130	City Services	£0.092m relates to libraries services following due process and engagement of staff and stakeholders in consultation which led to a later than planned implementation, and additional costs relating to one community library location. The remaining pressure of £0.040m relates mainly to additional security costs for the Customer Services Centre at Bartholomew House (£0.020m) and other areas.	Pressures are being actively managed to minimise or reduce costs.
Housing Benefit Subsidy			
(352)	Corporate Critical - Housing Benefit Subsidy	The Housing Benefit budget is expected to generate an additional £0.352m in subsidy. This is because local authority errors are now predicted to be held below the government threshold and therefore attract additional subsidy. This is a large and complex budget area and the forecast will be kept under review as new data becomes available from the Housing benefit system over the remainder of the year.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Resources			
92	Communications	Communications are forecasting an overspend of £0.092m in 2012/13, which is a slight reduction from Month 7.	Costs are being reviewed against the Communications strategy, and has influenced the budget allocation for 2013/14, particularly addressing unachievable income targets
(9)	Human Resources	Human Resources are forecasting an underspend of £0.009m as a result of continued cost monitoring and income generation. The Human Resources Systems Thinking review is in progress and now in the implementation phase; Transformation Funds are supporting the review, which is a lead review for developing an approach that can be deployed flexibly across the council, along with specific direct investment required to improve service efficiency. The review is expected to inform the future resourcing requirements of the service and determine any potential savings.	
40	ICT	The main risk relates to delivery of the savings target for upgrading of telephony services (£0.060m) an element of which relates to the VfM programme as described in Appendix 4.	Costs will be closely monitored and opportunities for cost reduction and other savings will be kept under review to help balance the budget.
(109)	Legal & Democratic Services	A combination of improved income generation, one off receipts from court costs and project specific income from external sources has increased the projected under spend by £0.033m from Month 7.	
6	Policy, Performance & Analysis	Minor overspend	
(12)	Property & Design	The commercial rent forecasts are being maintained despite the difficult economic climate for rental properties on the high street. This, together with fortuitous income has resulted in an underspend of £0.012m for Property & Design.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Finance			
(30)	Finance	A small number of vacancies and lower than expected temporary cover costs have resulted in an underspend on the staffing budget.	

Appendix 1 – Revenue Budget Performance

Corporate Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(328)	Bulk Insurance Premia	3,419	2,991	(428)	-12.5%
64	Concessionary Fares	9,696	9,760	64	0.7%
625	Capital Financing Costs	8,862	9,487	625	7.1%
0	Levies & Precepts	167	167	0	0.0%
0	Corporate VfM Savings	(228)	0	228	100.0%
(1,266)	Risk Provisions	2,630	1,604	(1,026)	-39.0%
(16)	Other Corporate Items	(29,494)	(29,510)	(16)	-0.1%
(921)	Total Revenue - Corporate Budgets	(4,948)	(5,501)	(553)	-11.2%

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Bulk Insurance Premia			
(428)	Bulk Insurance Premia	The budget for 2012/13 was increased by £0.410m to reflect the forecast increase in premium rates following an anticipated retendering exercise of some of the portfolio from 1 April 2012. In order to maximise value for money it was decided to defer the retendering so that all the council's insurance cover could be retendered at the same time from 1 April 2013. Negotiations to extend agreements with existing insurers were concluded with minimal changes in existing rates therefore the increased budget provision for this year will not be required. This underspend has been partially offset by £0.050m relating to the settlement of two trip / slip claims and £0.040m due to the increasing costs of litigated claims, particularly legal fees. It is anticipated that the council will experience increasing numbers of litigated claims from	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		<p>“no win no fee” lawyers in the period up to April 2013 when the law is due to change. The change will mean that lawyers will no longer be able to claim success fees from the losing side and should instead receive a share of the damages awarded. The Government hopes the change will act as a disincentive to anyone bringing spurious cases. The underspend has increased by £0.100m since Month 7 due to the number of claims being slightly lower than anticipated.</p>	
Concessionary Fares			
64	Concessionary Fares	<p>A small overspend is forecast for 2012/13 in relation to the net position of increased journeys and contracted services compared to the budgeted fixed price contract.</p>	
Capital Financing Costs			
625	Capital Financing Costs	<p>At Month 5 there was an anticipated £0.350m pressure on financing costs due to reduced HRA borrowing as at 31st March 2012 compared to that anticipated at budget setting time. With effect from 1st April 2012 HRA borrowing is separate from other council borrowing. This had resulted in a greater element of the financing costs of the authority impacting on the General Fund than anticipated. Since then the forecast overspend has increased by £0.275m. The main reason (£0.306m) for this is that the income from services paying for the costs of unsupported borrowing is less than budgeted due to schemes being reprofiled and this is only partly offset by additional investment income generated until the scheme goes ahead. There are however corresponding savings within service budgets.</p>	<p>Where possible, underspends on other corporate budgets will be used to mitigate this pressure, notably Bulk Insurance Premia.</p>
Corporate VFM Projects			
228	Corporate VFM Projects	<p>A number of VFM projects relate to council-wide projects which will deliver savings across many, if not all, service areas. The associated savings targets are shown under Corporate Budgets awaiting allocation to individual service budgets as and when savings are identified and/or confirmed. As at month 9, there is a forecast underachievement of £0.251m against the central</p>	<p>Full details of VFM Programme performance and variances are given in Appendix 4.</p>

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
		procurement VFM target, partly offset by an improvement of £0.023m against the Management & Admin VFM target.	
Risk Provisions			
(1,026)	Risk Provisions & contingency	<p>There is a one-off risk provision of £1.000m and it is forecast that £0.266m of this can be released to support the overall position. This is after providing £0.734m for the following:</p> <ul style="list-style-type: none"> • maintenance work at Saltdean Lido undertaken under urgency powers. This totals £0.130m of which £0.030m relates to capital expenditure and is included in Appendix 3; • implementation of Information Commissioner’s Office (ICO) recommendations; • additional legal costs for intellectual property rights; • support for school bus routes; <p>There is a permanent (recurrent) risk provision of £1.000m and £0.760m is now being released to provide one-off resources to support the overall position. The remaining £0.240m of this has been allocated to the Communications budget to cover the shortfall in the advertising and sponsorship contract. From 2013/14 onwards £0.215m has been built into the budget for this. The level of the recurrent risk provision will be reviewed for 2013/14 as part of the February budget report.</p> <p>There is also a permanent risk provision of £0.785m for pay related matters. Subject to approval, some of this will be allocated for Living Wage requirements and the balance will be transferred to the Single Status provision.</p>	
Other Corporate Items			
(16)	Corporate Unringfenced Grants	Additional income relating to the Learning Disabilities & Health Reform Grant.	

Appendix 1 – Revenue Budget Performance

Housing Revenue Account - Revenue Budget Summary

Forecast Variance Month 7 £'000		2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
	Housing Revenue Account				
(397)	Employees	8,518	8,205	(313)	-3.7%
(365)	Premises – Repair	10,645	10,040	(605)	-5.7%
(146)	Premises – Other	3,810	3,587	(223)	-5.9%
(166)	Transport & Supplies	2,023	1,809	(214)	-10.6%
(54)	Support Services	1,981	1,930	(51)	-2.6%
11	Third Party Payments	105	111	6	5.7%
400	Revenue contribution to capital	18,274	18,674	400	2.2%
-	Capital Financing Costs	7,244	7,244	-	0.0%
(717)	Net Expenditure	52,600	51,600	(1,000)	-1.9%
(158)	Dwelling Rents (net)	(46,702)	(46,860)	(158)	-0.3%
(10)	Other rent	(1,246)	(1,256)	(10)	-0.8%
(190)	Service Charges	(4,152)	(4,328)	(176)	-4.2%
(19)	Supporting People	(465)	(484)	(19)	-4.1%
49	Other recharges & interest	(435)	(376)	59	13.6%
(328)	Net Income	(53,000)	(53,304)	(304)	-0.6%
(1,045)	Total	(400)	(1,704)	(1,304)	

Explanation of Key Variances

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
Housing Revenue Account			
(313)	Employees	This relates to vacancies throughout the service while recruitment to the new Housing and Social Inclusion structure was being finalised. It also includes underspends on pension costs as fewer staff than budgeted are members of the pension scheme. This underspend has reduced from £0.397m at Month 7 due in the main to the anticipated one-off costs relating to contractual changes within the estates service.	
(605)	Premises Repairs	This underspend is made up from the following major variances: Responsive repairs are forecast to underspend by £0.300m due to the mild weather and the continuation of the policy to review responsive repairs within the context of the replacement programme, resulting in lower than expected values and numbers of responsive repairs. There is also a further underspend on the costs of gas servicing of £0.103m as a result of re-basing of the open book contract after the budget was set. Works to empty properties is also underspent by £0.171m as a result of fewer properties than budgeted becoming empty. There is also a £0.073m underspend relating to works to the Housing Centre as well as £0.096m underspend on fire alarms and fire risk works. These underspends are partly off-set by overspends on asbestos works of £0.064m and lift maintenance £0.086m.	
(223)	Premises - other	Premises costs for the housing centre are forecast to underspend by £0.039m due to uncertainties of the operating costs of this new building at budget setting time. Other underspends relate to insurances £0.040m, utility costs £0.090m and £0.020m on council tax payments due to fewer empty properties than expected. The forecast also includes an anticipated £0.041m underspend on decorating vouchers.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description	Mitigation Strategy (Overspends only)
(214)	Transport and Supplies	There are many minor underspends throughout the service. The major variances relating to transport and supplies are: £0.104m underspend on professional and consultancy fees no longer required in this financial year due to the changing of projects and more utilisation of in-house staff; there are further underspends of £0.030m on legal fees for leaseholder tribunals, £0.076m on general office expenses, furniture etc., as well as a reduction in vehicle maintenance costs as a result of the new vehicles being purchased.	
400	Revenue Contribution to Capital Outlay	This relates to an additional contribution to capital investment using revenue underspends to fund further investment in housing adaptations for Council tenants as reported to P&R Committee on 29 th November 2012.	This overspend is being funded by other underspends within the HRA.
(158)	Dwellings Rents	Rental income is forecast to over recover by £0.158m as the number of voids and the length of time empty properties were held ready for transfer to Seaside Community Homes are less than assumed at budget setting.	
(176)	Service Charge Income	Service Charge income from leaseholders is forecast to over-recover by £0.280m as a consequence of more repairs works being carried out to leaseholders' properties during the last financial year thereby increasing the 2011/12 repairs service charge for leaseholders (billed in 12/13). This is off-set by small amounts of under-recovery from various service charges totalling £0.104m caused in part by a reduction in the number of properties as they have transferred to Seaside Community Homes.	
59	Other Income and Recharges	This budget is projected to overspend by £0.059m and relates to less income than budgeted for rechargeable repair works as well as a reduction in the professional fees recouped from right-to- buy valuations.	This overspend will be funded from other underspends within the HRA.

Dedicated Schools Grant - Revenue Budget Summary

2012/13 Variance Month 7 £'000	Dedicated Schools Grant (DSG)	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Individual School Budgets (ISB) <i>(This does not include the £6.380m school carry forwards from 2011/12)</i>	126,227	126,227	0	0%
30	Private, Voluntary & Independent (PVI) <i>(Early Years 3 & 4 year old funding for the 15 hours free entitlement)</i>	7,001	7,001	0	0%
(165)	Central Schools Budget <i>(This includes £1.168m central carry forward from 2011/12)</i>	16,942	16,575	(367)	-1.0%
0	Grant income	(149,002)	(149,002)	0	0%
(135)	Total DSG	1,168	801	(367)	-31.4%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Central Schools Budget			
(155)	Educational Agency Placements	At budget setting time it was estimated that there would be 61 FTE placements. The current number of placements is 62 but due to favourable changes in placement costs there is an underspend. The underspend has increased by £0.030m since last month as the authority has recently won two tribunal cases.	
(96)	Home to School Transport	The DSG element of Home to School has not been spent as the overall General Fund position on Home/School transport is currently underspent.	
(51)	Education of Looked After Children	Costs being lower than anticipated.	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note: FTE/WTE = Full/Whole Time Equivalent)	Mitigation Strategy (Overspends only)
(65)	Various	Other minor underspends.	

NHS Trust Managed S75 Budgets - Revenue Budget Summary

Forecast Variance Month 7 £'000	S75 Partnership	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(411)	Sussex Partnership Foundation NHS Trust (SPFT)	11,485	10,884	(601)	-5.2%
23	Sussex Community NHS Trust (SCT)	1,596	1,470	(126)	-7.9%
(388)	Total Revenue - S75	13,081	12,354	(727)	-5.6%

Explanation of Key Variances

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
Sussex Partnership Foundation NHS Trust			
(601)	SPFT	Sussex Partnership Foundation NHS Trust (SPFT) are reporting an underspend of £0.601m at Month 9. The budget strategy savings target of £0.326m has already been achieved. On top of this, savings of £0.287m have been achieved against the mainstream budget from robust vacancy management and tight budgetary control and a further £0.215m from the community care budget as a result of increased funding through the assessment process and robust review of all placements. There continue to be pressures against the Adult Mental Health Community Care budget from a lack of suitable accommodation, which has been highlighted as part of the budget process for 2013/14. In line with the agreed risk-share arrangements for 2012/13 any overspend or underspend will be shared 50/50 between SPFT and BHCC.	
Sussex Community NHS Trust			
(126)	SCT	Sussex Community NHS Trust (SCT) are reporting a pressure of £0.106m against ICES (£0.028m) from increased demand for equipment and Intermediate Care services (£0.078m) from staffing pressures. The management for Knoll House has transferred to Provider Services (as detailed above). The underspend against the HIV budget of £0.226m is a	

Appendix 1 – Revenue Budget Performance

Key Variances £'000	Service	Description (Note WTE = Whole Time Equivalent)	Mitigation Strategy (Overspends only)
		continuation of the position from 2011/12 for services now managed by Assessment services.	

Appendix 2 – Capital Programme Performance

People – Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Revised Budget £'000	Approved at other Meetings £'000	New Schemes Appendix 3 £'000	Variation, Slippage or reprofile £'000	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Commissioner - Learning & Partnership	28,816	0	200	(6,204)	22,812	22,312	(500)	-2.2%
0	Delivery Unit - Children's & Families	410	0	14	0	424	424	0	0.0%
0	Total Children's Services	29,226	0	214	(6,204)	23,236	22,736	(500)	-2.2%
0	Commissioner - Adult Services	363	0	0	(137)	226	226	0	0.0%
0	Delivery Unit - Adults Provider	585	0	250	(404)	431	431	0	0.0%
0	Delivery Unit - Adults Assessment	269	0	0	0	269	269	0	0.0%
0	Total Adult Services	1,217	0	250	(541)	926	926	0	0.0%
0	Total People	30,443	0	464	(6,745)	24,162	23,662	(500)	-2.1%

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

Detail Type	£'000	Project	Description	Mitigation Strategy
Commissioner – Learning & Partnership				
Reprofile	(4,981)	New Pupil Places	Large elements of funding allocated to Local Authorities can be formula based or in response to bids. Once funding is secured projects are designed, developed and construction started on site. However, cash-flows for schemes rarely follow in-year allocations. This is the case with St Peter's Infants, St Nicolas Junior and Portslade Infant Schools. The main building work at St Peter's and St Nicolas started on site at the beginning of January 2013 after	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>delays in securing planning consent. The majority of expenditure will be in 2013/14 with completion for September 2013.</p> <p>An initial phase of work at Portslade Infants will be programmed for the summer holiday. The main project will start at the end of 2013. It is likely some expenditure for this project will fall in 2014/15.</p> <p>Negotiations to purchase Hove Police Station have taken longer than expected. However, it is hoped this can be concluded before the end of the financial year. A figure taking account of this purchase has been included in the outturn forecast.</p> <p>The Council is currently forecasting a spend of £2.8m in 2012/13 for New Pupil Places. As a result, we are seeking to reprofile £4.981m to 2013/14 to assist in meeting our commitments in future years.</p>	
Reprofile	(1,223)	Capital Maintenance	<p>Funds within Devolved Capital have been allocated to advanced design work on Stanford Infant and Junior development and Hove Police Station. Purchase of the Police Station has not been completed yet and the Stanford proposals did not receive Committee approval earlier this month. As a result design work has not taken place.</p> <p>Part of the funding for the Portslade re-organisation is also coming from Capital Maintenance. As mentioned in the notes for New Pupil Places there have been some delays in starting the projects at St Peter's, St Nicolas and Portslade Infants.</p> <p>We are currently forecasting a spend of £1.9m in 2012/13. As a result, we are seeking to reprofile £1.223m to 2013/14 to assist in meeting our commitments on the ongoing projects in Hove and Portslade.</p>	
Underspend	(500)	Whitehawk Co-Location	<p>The various major components of the Whitehawk Co-Location project completed successfully in 2011/12. Final costs for building and demolition work have now been agreed. Following occupation, some modest additional work, plus furniture and equipment, were considered and agreed.</p>	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			The project as a whole has been delivered at a lower total cost than the initial bid proposal. A year-end spend of £0.054m is forecast. A request to reprofile £0.500m to New Pupil Places in 2013/14 to assist with the provision of Primary places in Hove and Portslade is being made to the committee.	
Commissioner – Adult Services				
Reprofile	(62)	ASC Reform Grant	<p>The project relates to a major change to the performance reporting systems in Adult Social Care which are linked to a national Zero Base Review of the national reporting requirements led by the Department of Health and the National Adult Social Care Information Service. This involved a significant national consultation exercise and the national guidance on implementation of the new requirements will now not be available until March 2013. It is not possible to begin the project locally until the national guidance on what is required has been published. It is anticipated that the project will therefore need to commence in April 2013 and that full implementation will be over a period of 1 – 2 years depending on nationally set timescales.</p> <p>There has been no impact on services as we continue to report through existing systems in the interim period. There have been no financial implications from the project reprofile. The full financial implications for the council have been estimated but these will not be confirmed until the national guidance is published in March 2013.</p>	
Slippage	(75)	ASC IT Infrastructure Grant	<p>The delays are due to a number of internal factors during the research, specification and procurement phases of the Carelink Control Centre system replacement project.</p> <p>The main reasons for the delay are:</p> <ul style="list-style-type: none"> • Carelink is a very small service with a limited management resource. There have been a number of extended absences within the staff and management team over the last year. Management resources have needed to be focused on maintaining and running the service safely. • There was further a delay in finalising the technical specification as we 	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>needed to reconsider one of the key aspects of the project i.e. whether the new system should 'stand alone' as now, or be hosted on the council's main servers and network. It was not possible to finalise the procurement specification until this had been resolved, which took some time.</p> <ul style="list-style-type: none"> • There have also been some delays in obtaining advice from corporate procurement colleagues which is a small team with significant competing pressures. <p>The implementation date has moved from February 2013 into Summer 2013. The tender specification is now largely completed and we expect to start the procurement, which is under a framework agreement, later this month.</p> <p>The project is to bring in a development to the current system to expand its capability. The system continues to operate effectively for current services and user groups. There has been no detrimental impact on current services. The delay will slow the expansion into enhanced services for current user groups, and the capability to offer services to new service user groups.</p> <p>There are no indications of increased project costs at this stage due to the delay but some of the benefits of the increased capability will not be realised until later (e.g. some lower cost Carelink/Telecare services may have been provided to service users instead of more conventional services).</p>	
Delivery Unit – Adults Provider				
Slippage	(50)	Telecare Provider	Part of the original bid for Telecare funding included recruiting staffing which is not achievable in this financial year. The slippage has not affected the project as this will be achievable next year.	
Slippage	(354)	Learning Disability Accommodation	The building works associated with the Learning Disability Accommodation Plan have been delayed due to the requirement to return to Adult Social Care & Health Committee in September 2012 prior to a final decision being made. This delayed the finalising of plans for required building works which need to follow Council Contracting processes. This means that some of the building works	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>will run into 2013/14. The building works required to implement the plan will not all be completed in financial year 2012/13. However the Learning Disability Accommodation Plan was a two year plan and should be fully implemented in year 2.</p>	

Appendix 2 – Capital Programme Performance

Environment, Development & Housing – Capital Budget Summary

Forecast Outturn Month 7 £'000	Unit	2012/13 Revised Budget £'000	Reported At other Meetings £'000	New Schemes Appendix 3 £'000	Variation, Slippage Or reprofile £'000	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Transport	12,490	0	0	(209)	12,281	12,281	0	0.0%
0	City Infrastructure	4,283	0	0	0	4,283	4,283	0	0.0%
0	City regeneration	1,066			(632)	434	434	0	0.0%
0	Planning, Public Protection	18	0	0	0	18	18	0	0.0%
0	Total Non Housing Services	17,857	0	0	(841)	17,016	17,016	0	0.0%
0	Housing (General Fund Capital)	7,027	0	0	(387)	6,640	6,340	(300)	-4.5%
(14)	Housing (HRA Capital)	34,335	0	0	(2,992)	31,343	30,437	(906)	-2.9%
(14)	Total Housing	41,362	0	0	(3,379)	37,983	36,777	(1,206)	-3.2%
(14)	Total Place	59,219	0	0	(4,220)	54,999	53,793	(1,206)	-2.2%

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

Detail Type	£'000	Project	Description	Mitigation Strategy
Transport				
Slippage	(94)	Ex leased Car Parks	A revision in the profile of spend is requested of £0.094m into next year for the ex leased car parks for works affected by the weather.	
Slippage	(115)	Lantern Change (street lighting)	The Streetlighting Team is seeking approval to carry forward the sum of £0.115m into the financial year 2013/14. It has been difficult to commit all of the funding in this current financial year due to the poor condition of the current lighting stock. Lanterns cannot be changed unless the column	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>condition is good enough to support such a change.</p> <p>However it is envisaged that given the work we are carrying out to replace street lighting, columns will be spent within the first half of the new financial year.</p>	
City regeneration				
Reprofile	(110)	New England House	<p>The main focus this year has been on completing an updated condition survey and costs information for potential work at New England House. The work has confirmed that there is a need for a long term viable vision for the building. During 2013/14, the council will need to undertake further work on options for the building, including assessing financial viability of options. This will require specialist consultants. The legal and procurement implications of options for taking the building forward will also require specialist advice.</p>	
Reprofile	(50)	Preston Barracks	<p>Throughout 2012/13 the council has continued to work in partnership with the University of Brighton, with the main focus being the preparation of a new Masterplan for the comprehensive redevelopment of land on either side of the Lewes Road. At the time of appointing the consultant team in March 2012, it had been anticipated that the Masterplan would be concluded by the end of the summer. Although considerable progress had been made by that point, the partners agreed to an extended period in which to complete this work. The Masterplan report was submitted in December 2012 and is undergoing officer review and analysis prior to presentation to Members. As part of this, the council has recently appointed specialist consultants to undertake further financial analysis and valuation advice. This work, which is due for completion in February 2013, will inform a future report to the Policy & Resources Committee. This will inform the next stages of work and further spending on specialist advice will now be needed in 2013/14.</p>	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Reprofile	(61)	Regeneration of Black Rock	<p>The Black Rock Brighton International Arena project ended by agreement of Policy and Resources Committee on July 12 2012. An interim temporary solution for the site is now being progressed (3 years) and a Project Board will meet to review procurement options in February/March 2013 for a longer term solution. The underspend in the current financial year has occurred because there was no need to use these funds in the current year for the previous project to progress. Funds will be needed in 2013/14 to progress a revised new project assuming the Project Board reach agreement on how this should be achieved.</p>	
Reprofile	(194)	Brighton Centre Development	<p>The Brighton Centre redevelopment project is a long standing and complex redevelopment project initiated in 2002/03 with partners Standard Life Investments. A Heads of Terms was signed in 2008 to redevelop the current site, but viability problems have led to the need to revisit the parameters of the project including options for new funding streams and a de-risking of the project, at regular intervals (in dialogue with Standard Life) to reach a viable long term solution. The council has also had to accept the need to maintain business at the existing Brighton Centre and has already committed significant expenditure for this purpose some of which has been taken from the ring-fenced redevelopment reserve. The full amount of the budget was not earmarked for expenditure in the current financial year (2012/13) but rather is being held against the project once a final agreed and viable scheme can be agreed with Standard Life. Indications at the current time (January 2013) are reasonably positive as discussions continue between BHCC and Standard Life to ascertain whether a revised scheme may be deliverable.</p>	
Slippage	(45)	Open Market	<p>Redevelopment of the new Open Market is well underway and construction is proceeding broadly in line with programme. Implementation of the market stalls application</p>	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			process and marketing of the new business opportunities has been put back due the project's later than expected start of works on site. These works are now expected to be completed by September 2013, when the new market will open.	
Slippage	(172)	Various	Circus Street £(0.039)m, Falmer Released land £(0.039)m, Shoreham Harbour Regeneration £(0.020)m, The Keep (Major Projects) £(0.020)m, King Alfred Development £(0.021)m, i360 project £(0.035)m and other £0.002m.	
Housing (General Fund)				
Variation	183	Disabled facilities Grant	a) An unanticipated CLG announcement and notification received 7 December that we are receiving a further £0.182m in respect of the 2012/13 Disabled Facilities Grant	
Reprofile	(183)	Disabled facilities Grant	b) The timing of this announcement means we are unlikely to spend the additional funding in year and request a carry forward to fund outstanding commitments for works approved but not yet completed and to continue to meet the demand for grant-aided major adaptations in the private sector. The capital for this project comes in the form of grant which can be carried forward.	
Reprofile	(387)	Private Sector Housing Renewal Programme	Expenditure under this grant scheme is dependent upon completion of works by individual applicants following approval of applications for housing renewal assistance The request to carry over relates to the following areas of housing renewal capital expenditure: <ul style="list-style-type: none"> • Within this year's housing renewal capital an element of funding was reserved to enable a 'top up' of the anticipated Disabled Facilities Grant allocation for 	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			<p>2013/14. The capital reprofile request is to fund outstanding commitments for works approved but not expected to be completed until next financial year.</p> <ul style="list-style-type: none"> Within this year's housing renewal capital budget an allocation of funding has been reserved to forward fund the empty properties recyclable loan programme for which we successfully bid for funds from the HCA. Due to delays in the HCA producing and finalising the Funding Agreement we have not been able to progress with this scheme and the required internal approvals within this financial year. <p>The delay in HCA funding agreement has a caused delay in progressing with the target of bringing 7 empty properties back into use in this financial year; carry over of funding would allow us to deliver these 7 empty properties in the next financial year.</p> <p>The unspent allocation of DFG top up element has not impacted on service users in this financial year as this was identified for spend in the 2013/14 financial year.</p>	
Underspend	(300)	Local Delivery Vehicle	The Local Delivery Vehicle setup costs remaining on this scheme are not required.	
Housing (HRA Capital)				
Slippage	(450)	Communal Heating & Boiler Systems	The major investment works to Nettleton & Dudeney communal heating & modernisation is progressing well, however due to the size and complexity of the programme an extension of time for the completion of the programme has been agreed. The communal boiler house and plant have been replaced and we are installing the new Heat Interface Unit and radiator systems in each of the 180 flats. Due to extensive resident consultation and the importance of	To allow efficient delivery of improvements and maintain quality a rolling programme of installations has been agreed into 2013/14.

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			maintaining quality of improvements we have agreed a time extension and work will complete in July 2013.	
Reprofile	(295)	External Decorations – Park Royal	As part of our ongoing consultation on major repair work, Leaseholders have expressed an interest in the purchase of our Freehold and wish to complete work themselves and manage the building. They formed a company and have raised an initial Collective Enfranchisement Notice, meaning we are entering legal discussions whilst proceeding with essential maintenance work only.	Essential maintenance works to proceed only until legal issues are resolved.
Reprofile	(120)	Portslade Police Station	New issues have recently come to light on this special project that proposed to bring an old police station into domestic use, which requires additional architectural surveys. We are working closely with planning and building conservation teams and this project to find the best solution and timescales for work extend beyond March 2013	Required reports ordered
Reprofile	(159)	Windows	Planned major work at Hereford Court has taken longer to specify and consult upon than originally planned. Legal consultation with Leaseholders has recently been completed and works are due to start imminently and complete in 2013/14.	Contract Compliance team are monitoring Contractor's progress in 2013/14.
Reprofile	(360)	Lifts	Additional structural surveys for extending lift heights (e.g. Leach Court) and providing new lift access to each floor means that some of the renewal projects will not complete this financial year and extend into 2013/14. Delays also relate to significant additional health and safety work identified e.g. asbestos removal and new access ladders in lift shafts.	Plan to accelerate programme. Ongoing consultation with residents (e.g. High Rise Action Group)
Variation	(368)	Estates Development Budget	The Estate Development budget is approved as part of the HRA capital programme and is allocated to various projects following consultation with residents. Some of these projects fall under the definition of revenue expenditure and are charged to the HRA revenue budget, therefore it is necessary to make an accounting adjustment between the HRA capital programme and HRA revenue budget to fund the programme	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			expenditure in the appropriate place.	
Slippage	(175)	Ainsworth House Redevelopment	<p>The contractual completion date is 25th March 2013. Re-profile is requested to cover a change of 6 weeks in the anticipated completion date and standard retention payment arrangements.</p> <p>Based on a prudent assessment of progress to date the anticipated completion date for the project is likely to be during week commencing the 6th May 2013. Some delays have been reported owing to accumulation of issues detailed below. There has been good progress with internal fit out works over the pre-Christmas period and into the new year and the Contractor is hopeful of covering some lost time. However, realistically, based on the current status on progress the Contractor is reporting a delay of 6 weeks from the 25th March 2013.</p> <p>This delay has been an accumulation of a number of issues including procurement of the timber frame, (this has been linked to a consequential delay as a result of Planning), inclement weather affecting progress and also affecting the ability to entirely waterproof the building causing subsequent delays to the ability to progress internal fit out.</p>	
Slippage Underspend	(50) (85)	Major Voids	<p>A larger number than expected of major voids met the criteria for leasing to Seaside Homes, than originally modelled. Therefore the full amount of the original budget is no longer required. Some complex conversion projects involving HRA major empty homes (voids with shared facilities) have taken longer than expected to complete and are subject to planning permissions. Work on site has been reprogrammed and will be completed within the next financial year.</p>	
Reprofile	(30)	BHCC Projects	All the anticipated projects initially identified have been successfully integrated into the comprehensive capital programme, however other areas of the investment	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Underspend	(30)		programme would benefit from an increase in investment. We are also requesting a reprofile to enable some important smaller capital work projects to be moved forward in 2013/14.	
Reprofile Underspend	(985) (62)	Cladding	Some cladding projects progressed at a slower rate than expected through consultation with residents on the scope of work proposed. Legal consultation with leaseholders at Hereford Court has recently been completed and works will start shortly and continue into 2013/14 (£0.390m). Extensive resident consultation around improvement including potential to enclose balconies at Essex Place mean that the programme of work will now start and complete next financial year (£0.595m). The major refurbishment of an empty home at Bexhill Road (£0.062m) has been funded from the empty properties budget, therefore the budget allocated under cladding is no longer required.	Contract Compliance team are monitoring Contractor's progress in 2013/14.
Underspend	(15)	City College Partnership	The benefits of this joint training and building skills development project are well recognised and trainees have recently completed the refurbishment of two empty homes (60 Wiston Rd & 75 Maresfield Rd). We have started on 3 more sites (7, 15 & 17 Amberley Lodge) and due to the timescales involved in work-based training we anticipate work on these empty homes may extend beyond the end of this financial year and will be complete early within 2013/14.	City College wish to progress during 2 rather than 3 terms (Autumn & Spring Terms).
Underspend	(300)	Door Entry Systems	The projects tendered for will cost much less than originally anticipated as the Property Investment team developed clear specifications and reduced the risk for tenderers and their subsequent costs. Whilst a new long term contract is being procured, each upgrade project requires individual tendering & consultation.	A new long term contract is being procured, to be in place 2013/14.
Overspend	358	Rewiring – Domestic / Communal	The communal lighting upgrade project has been projecting a variation since TBM month 7. There are sufficient resources available to cover any emergency repairs that may arise in the intervening period.	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
Overspend	23	Various	Minor overspends on various projects.	
Underspend	(955)	Pre-Lease Conversion Refurbishment (Seaside Homes)	Due to previous legal issues, now resolved, works were delayed to these former Temporary Accommodation (TACC) buildings (e.g. 243/345 Preston Rd/57 Sackville Rd/22 Windlesham). These empty homes have been leased to Seaside prior to completion of major refurbishment works. Work will now be completed using the Seaside Homes leased properties refurbishment arrangements.	Works since lease date now being carried out under leased dwellings arrangements for Seaside Homes.
Overspend	160	Roofing	Contract Compliance team with Partnership have identified planned works that can be brought forward and funded from HRA Capital underspends in 2012/13.	Investment is to prevent disrepair and generate expected savings on revenue budgets.

Appendix 2 – Capital Programme Performance

Communities - Capital Budget Summary

Forecast Outturn Month 7 £'000	Unit	2012/13 Revised Budget £'000	Reported at other Meetings £'000	New Schemes Appendix 3 £'000	Variation, Slippage or reprofile £'000	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
(35)	Commissioner - Sports & Leisure	628	0	663	0	1,291	1,254	(37)	-2.9%
0	Delivery Unit - Tourism & Leisure	3,491	0	0	0	3,491	3,491	0	0.0%
(35)	Total Capital Communities	4,119	0	663	0	4,782	4,745	(37)	-0.8%

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

Detail Type	£'000	Project	Description	Mitigation Strategy
Commissioner – Sports & Leisure				
Forecast variance	(37)	Stanley Deason all weather track	As reported at Month 5 tenders have now been received and the cost of the project is £0.037m less than expected.	

Appendix 2 – Capital Programme Performance

Resources & Finance - Capital Budget Summary

Forecast Variance Month 7 £'000	Unit	2012/13 Revised Budget £'000	Approved at other Meetings £'000	New Schemes Appendix 3 £'000	Variation, Slippage or reprofile £'000	2012/13 Budget Month 9 £'000	Forecast Outturn Month 9 £'000	Forecast Variance Month 9 £'000	Forecast Variance Month 9 %
0	Delivery Unit - City Services	1,980	0	0	0	1,980	1,980	0	0.0%
0	Resources	9,624	0	0	(1,856)	7,768	7,768	0	0.0%
0	Finance	139	0	0	0	139	139	0	0.0%
0	Total Capital Resources & Finance	11,743	0	0	(1,856)	9,887	9,887	0	0.0%

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

Detail Type	£'000	Project	Description	Mitigation Strategy
Delivery Unit – City Services				
Slippage	(1,746)	Woodvale Cremators for Mercury Abatement	<p>In February 2012, a report was presented to Cabinet seeking approval to purchase new plant and equipment to address mercury abatement requirements and replace the existing cremators at the Woodvale Crematorium. The funds allocated for this project were £1.2m. Subsequently a rigorous and comprehensive business case, together with cost analysis by a quantity surveyor, identified the fact that additional funding would be needed to complete these works to comply with mercury abatement legislation. At the same time, the opportunity to undertake additional repair and maintenance work to comply with health & safety legislation and update facilities during the cremator renewal process was identified. A preferred option, to undertake these additional works costing an extra £0.660m, was agreed at P&R committee on 11th October 2012.</p> <p>The additional works, costs analysis and need to return to P & R for additional funding, has delayed the procurement and implementation</p>	

Appendix 2 – Capital Programme Performance

Detail Type	£'000	Project	Description	Mitigation Strategy
			process, meaning that the agreed funds will now largely be spent in the financial year 2013/14.	
Resources - ICT				
Slippage	(48)	Information Management	<p>There are 2 reasons for the request:</p> <ul style="list-style-type: none"> • Later start due to later delivery of CEM and agreed payment on delivery profile with the supplier will lead to slippage against 6 month project to deliver an initial corporate Customer Index – only the first milestone will have been met in-year; the next milestones now expected in May and July 13. • Slower than expected progress in data migration and process redesign, mean that final two payment on delivery milestones with Idox (electronic document) migration will slip into 2013/14. 	
Resources – Policy, Performance & Analysis				
Reprofile	(10)	Interplan	Plans to spend this on an Interactive business planning module for Interplan were put on hold as we revised the business planning process throughout the year in consultation with the new Chief Executive. A reprofile is requested.	
Resources – Property & Design				
Slippage	(52)	Madeira Terrace	The council has allocated £0.250m within the Planned Maintenance Budget in 2013/14 to start the works of Madeira Terrace scheme but this is needed for the works	

New Capital Project Approval Request				
Unit:	Commissioner – Learning & Partnership			
Project title:	Hove Park ICT Equipment			
Total Project Cost (All Years)	£200,000			
Purpose, benefits and risks:				
Provision of ICT equipment for Hove Park School to be funded from unsupported borrowing.				
Capital expenditure profile (£'000):				
Year	2012/13	2013/14	2014/15	TOTAL
Unsupported Borrowing	200	0	0	200
Total estimated costs and fees	200	0	0	200
Financial implications:				
Unsupported borrowing is available to provide finance for schemes such as this. The repayment of the loan will be funded from the revenue budget of the school.				

New Capital Project Approval Request				
Unit:	Delivery unit – Children’s & Families			
Project title:	Pool Vehicle for Contact Service			
Total Project Cost (All Years):	£14,000			
Purpose, benefits and risks:				
This is a replacement for the pool car for the Contact Service. The Vehicle Excise Duty (VED) is £nil for the first year as the emissions are under 120g/km.				
Capital expenditure profile (£'000):				
Year	2012/13	2013/14	2014/15	TOTAL
Direct Revenue Funding	14			14
Total estimated costs and fees	14			14
Financial implications:				
This replacement car is being funded from a revenue contribution within the service’s existing budget.				

New Capital Project Approval Request				
Unit:	Delivery unit – Adults Provider			
Project title:	ASC Vehicle Replacement Programme 2012/13			
Total Project Cost (All Years):	£250,000			
Purpose, benefits and risks:				
<p>This is to replace the current stock of vehicles being used by Adult Social Care as part of the Vehicle Replacement Programme. Savings will be gained through improved specification and procurement of vehicles as well as savings on maintenance and repair, fuel, servicing and other running costs from replacing old and inefficient vehicles. This will also contribute towards the Carbon Management Programme by reducing carbon emissions to meet national and local targets.</p>				
Capital expenditure profile (£'000):				
Year	2012/13	2013/14	2014/15	TOTAL
Direct Revenue Funding	250			250
Total estimated costs and fees	250			250
Financial implications:				
<p>These vehicles can be bought outright from existing revenue budget and will not require any unsupported borrowing, which reduces interest charges to the council.</p>				

New Capital Project Approval Request

Unit:	Commissioner – Sports & Leisure
Project title:	Withdean Sports Complex Development
Total Project Cost (All Years):	£2,968,000

Purpose, benefits and risks:

A report to Cabinet on 19th April 2012 approved the Withdean Sports Complex Development to be added to the Capital Programme in order to deliver increased health and fitness facilities in accordance with the Council's Citywide Sports Facilities Plan. The report set out the details of the scheme and the business case for investment. In summary, the development will provide additional capacity for a further 1194 members as well as much needed space for 'pay and play' users. This projected increase in members and users was based on specialist market research which indicated considerable latent demand.

Capital expenditure profile (£'000):				
Year	2012/13	2013/14	2014/15	TOTAL
Unsupported Borrowing	663	2,305		2,968
Total estimated costs and fees	663	2,305		2,968

Financial implications:

The capital cost has been confirmed at £2.968m and will be funded from prudential borrowing over 25 years financed by additional management fee income under the Sports Facilities Contract. The annuity costs would be £0.202m p.a. which will be matched by the management fee that has been agreed at £0.202m p.a. subject to inflationary increases in accordance with the current contract which is due to be retendered in April 2021. This means that over time, income will outgrow the annuity cost and at net present values the business case is therefore positive as reported to Cabinet. Due to the timing of the development, a shortfall in funding may arise in 2012/13 and 2013/14 amounting to £0.030m which would be funded from a contribution via the Sports Facilities Reserve. The project would be delivered through the Council's existing Strategic partnership Agreement, led by the council's Property and design Team.

Value for Money Programme Performance

Projects	Savings Target £m	Achieved £m	Anticipated £m	Uncertain £m	Achieved %
Adult Social Care	1.172	1.311	0.000	0.000	111.9%
Children's Services	0.301	2.740	0.910	0.000	910.3%
ICT	0.361	0.301	0.000	0.060	83.4%
Procurement *	1.341	0.825	0.515	0.001	61.5%
Procurement (2011/12)	0.355	0.104	0.000	0.251	29.3%
Workstyles	0.270	0.200	0.070	0.000	74.1%
Systems Thinking/Process Efficiencies *	0.500	0.000	0.476	0.024	0.0%
Management & Admin	2.358	2.150	0.126	0.082	91.2%
Additional Management Savings 2012/13	0.275	0.275	0.000	0.000	100.0%
Client Transport	0.000	0.000	0.000	0.000	0.0%
Total All VfM Projects	6.933	7.906	2.097	0.418	114.0%

* These savings are 'non-cashable' and will be retained by the service areas in which they occur.

Explanation of 'Uncertain' VfM Savings:

Key Variances £'000	Description	Mitigation Strategy for Uncertain Savings
ICT		
60	A potential risk has arisen in relation to Telephony provision where anticipated savings may not be as high as expected. There are a number of contracts relating to this service area that need to be realigned in order to realise full potential savings and efficiencies.	ICT are continuing to work with Procurement Category Managers to review contractual arrangements and identify a possible route for restructuring contracts. Forecast shortfall has been offset through one off savings on income and vacancy management.
252	Procurement savings are being achieved across services but it is often difficult to identify the cashable versus non-cashable elements of any saving i.e. price changes compared to volume	The ongoing shortfall is addressed in the 2013/14 Budget Report elsewhere on this agenda.

Key Variances £'000	Description	Mitigation Strategy for Uncertain Savings
	<p>changes compared to original contract budgets. This makes identifying the share of savings between corporate budgets and service budgets difficult and to date we have not been able to identify further savings that can be taken corporately. This residual corporate target dates back to 2011/12.</p> <p>This does not however mean that procurement savings are not being achieved, simply that they are occurring and are retained within services e.g. Home to School Transport. It is currently anticipated that Procurement savings of £1.345m will be achieved across the council, including corporate savings. Recognising this problem, all future procurement savings will be identified and retained within services and presented within the relevant service's savings proposals where appropriate.</p>	
82	The position with regard to Management & Admin savings was reported last month and one-off risk provision of £0.105m was released to address the position. However, an improvement of £0.023m has reduced the expected shortfall.	

Subject: Housing Revenue Account Budget 2013/14 - Extract from the Proceedings of the Housing Committee Meeting held on the 16 January 2013

Date of Meeting: 14 February 2013

Report of: Interim Lead, Chief Executive Services

Contact Officer: Name: Lisa Johnson Tel: 29-1228
E-mail: lisa.johnson@brighton-hove.gov.uk

Wards Affected: All

HOUSING COMMITTEE

**4.00 pm 16 January 2013
COUNCIL CHAMBER, HOVE TOWN HALL**

DRAFT MINUTES

Present: Councillor Wakefield (Chair), Powell (Deputy Chair), Peltzer Dunn (Opposition Spokesperson), Farrow (Spokesperson), Davey, Deane, Fitch, Jarrett, Mears and Wells.

PART ONE

45 HOUSING REVENUE ACCOUNT BUDGET 2013/14

- 45.1 The Committee considered a report of the Director of Finance and Strategic Director, Place which set out the Housing Revenue Account Budget for 2013/14.
- 45.2 Councillor Farrow thanked officers for the report, which he agreed with in parts. However, he suggested that there be a radical review on how the Council managed properties, and asked that the housing management structure be looked at to see if any money could be saved which could then be reinvested in homes. He said the Labour and Co-operative party would abstain from recommending the report to Policy and Resources Committee. The Chair invited anyone who had any ideas on how properties were managed to put them forward for discussion.
- 45.3 Councillor Mears referred to paragraph 3.5, and asked who the benchmarking had been against. Officers said it was local authorities with similar profiles to Brighton & Hove; a full list would be provided. Councillor Mears noted that there was no reference in the report to Mr N Hibberd's new post and asked why it was being funded from the Housing Revenue Account and not from the Corporate Account. Councillor Mears referred to

paragraph 3.16, which showed the proposed increases to fees and service charges and noted that there was a reference to 12 properties requiring video entry and asked why that item had not been included in the Housing Revenue Account Budget 2013/14 report which went to the HMCSC meeting in December. Officers said that that report had been provided earlier than planned to ensure the HMCSC saw the report, and at that time the information on video entry was not available. Councillor Mears referred to Appendix 1 to the report and noted that the disabled adaptations programme had an investment requirement of £0.4m. Officers stated that that amount was only the overspend.

45.4 Councillor Peltzer Dunn noted that the report was slightly different from the one which had gone to the HMCSC meeting in December 2012, and therefore it was procedurally incorrect to say that the report had been considered by that sub committee. The Chair said she wanted to ensure that members of the HMCSC knew what was being proposed, and because of the timing of the meetings it was not possible for a 'final' report to be available for the December meeting.

45.5 **RESOLVED:**

That Housing Committee recommends that Policy & Resources Committee:

- (i) Approves and recommends to Council the budget for 2013/14 as shown in Appendix to the report.
- (ii) Approves individual rent increases and decreases in line with rent restructuring principles as determined by the Government and detailed in paragraphs 3.13 to 3.15 in the report.
- (iii) Approves the changes to fees and charges as detailed in Table 2, paragraphs 3.16 to 3.18 in the report and to delegate authority to the Strategic Director, Place to increase communal heating electricity charges following the corporate procurement of new contract prices.

Subject: Housing Revenue Account Budget 2013/14
Date of Meeting: 14 February 2013
28 February 2013 – Council
Report of: Strategic Director Place
Director of Finance
Contact Officer: Name: Sue Chapman Tel: 29-3105
E-mail: sue.chapman@brighton-hove.gov.uk
Wards Affected: All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report presents the proposed Budget for 2013/14 as required by the Local Government and Housing Act 1989. Members are required to consider the budget proposals including changes to rents, fees and charges as well as savings and service pressures.
- 1.2 The council's Housing Revenue Account (HRA) contains the income and expenditure relating to the council's landlord duties, of approximately 11,935 properties and 2,555 leasehold properties. These properties are accounted for separately from the council's other services/activities which form part of the council's General Fund.

2. RECOMMENDATIONS:

- 2.1 That Policy & Resources Committee:
- (a) Approves and recommends to Council the budget for 2013/14 as shown in Appendix 1.
 - (b) Approves individual rent increases and decreases in line with rent restructuring principles as determined by the Government and detailed in paragraphs 3.13 to 3.15.
 - (c) Approves the changes to fees and charges as detailed in Table 2, paragraphs 3.16 to 3.18 and delegate authority to the Strategic Director Place to increase communal heating electricity charges following the corporate procurement of new contract prices.

3. HRA BUDGET PROPOSALS 2013/14

Summary

3.1 The HRA Budget 2013/14 aims to balance the priorities of both the City Council and housing residents within the context of the Corporate Plan 2011-2015, which sets out the council's strategic direction and priorities for the next three years, based around the five council priorities:

- Tackling inequality
- Creating a more sustainable city
- Engaging people who live and work in the city
- A responsible and empowering employer
- A council the city deserves

3.2 The HRA revenue strategy focuses upon investment to deliver corporate priorities:

1. Investment to tackling Inequality and sustain rental income

- § Investment in providing specialist support services for vulnerable council housing residents on low incomes including the development services which promote financial inclusion. The current economic climate and social welfare reforms present challenges for the HRA in relation to maintaining income collection performance. Through the development of the Community Banking Partnership model, specialist money advice and financial literacy and community banking interventions will help to sustain current income collection whilst also having an impact on the local economy which goes beyond client households. Recent research published by Citizens Advice shows that tenants could be £10 per week better off as a result of financial skills training from their landlords;
- § Investment through EU 'Interreg' grant funding in the 'Learning Cities' project will deliver interventions to council tenants that enhance the employability of individuals, and so improve their and their families' life chances;
- § Continued investment in specialist tenancy management and support services to support vulnerable council housing residents, and services which tackles anti-social behaviour;
- § No increases in the service charges for communal cleaning, supporting people, TV digital aerials or garages and car parks. Heating charges will increase by inflation but consumption will be reviewed to ensure residents are charged based on latest estimates of usage.

2. Creating a more sustainable city

The Housing & Social Inclusion service is developing a Sustainability Action Plan according to One Planet Living principles. Actions to be delivered in 2013/14 will include working with the Sustainability working group on:

- § Pilot smart meter loan scheme and behavioural change campaign leading to lower energy usage, reduced carbon emissions and lower fuel bills from council managed housing;
- § Providing energy advice to council tenants from operatives as part of the annual gas check.

3. Engaging people who live and work in the city

- § Establishing the new tenant scrutiny panel to ensure that tenants and leaseholders have a stronger voice in the management of council housing
- § Continuing to maximise the social value arising from investment in the Repairs and Improvement Partnership with Mears, through provision of local jobs, raising the aspirations of young people through apprenticeships, and creating local supply chain opportunities. As well as the successful scheme delivering 20 apprentices per year this includes:
 - 95% local employment
 - 28 local businesses employed as subcontractors
 - Partnership with City College to enable 35 construction students to gain experience refurbishing empty homes
 - Estate Development Budget run as a not-for-profit business model

3.3 A local authority's HRA 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. The introduction of self financing of the HRA from 1st April 2012 means that the authority needs to ensure sufficient funds are available to meet the future management, repairs and investment needs of the stock. Self financing has given authorities the freedom to plan for the longer term and has given greater emphasis to the 30 year business plan.

3.4 The Commissioning framework for the HRA aims to reduce management unit costs to enable re-investment in services, to reduce inequality (support), and improve homes and neighbourhoods (investment) As the HRA is a ring-fenced account, any savings achieved are reinvested into council housing services. However, the significance of the HRA budget reaches beyond housing service provision, and provides the opportunity to tackle inequality, create jobs and training opportunities, and improve the lives and well-being of residents.

3.5 Benchmarking of both service quality and cost is used extensively throughout the service to identify opportunities for reducing unit costs. Benchmarking against comparator organisations and an analysis of the outcome of the Housing Quality Network value for money review has identified a savings target of £1.028m over 2 years to ensure that the service provides value for money. The savings target is split over the two years as:

Target 2013/14	£0.590m
Indicative Target 2014/15	£0.438m

Budget Variations

3.6 The HRA budget for 2013/14 is shown in Appendix 1 with the main budget variations detailed in Table 1. Employees' costs include a 1% pay increase along with any known increments. In preparing this year's base budget, individual National Insurance contributions have been calculated, rather than the previous practice of using an average rate, which has resulted in a budget reduction of £0.142 million.

- 3.7 An inflation rate of 2% has been applied to non employee costs with the exception of some contracts where inflationary increases are agreed within the terms of the contract. All income budgets are zero based and therefore charges are estimated based on known increases in costs or inflation. The major works leasehold income budget has increased by £0.520 million to reflect a significant increase in planned major works during 2012/13 to blocks containing leaseholders. The transfer of an estimated 201 homes to Brighton & Hove Community Seaside Homes during 2012/13, increasing the number of leaseholders, has resulted in an increase in service charges income and this impact is included in the net increase in service charges of £0.260 million below.
- 3.8 A review of the Mears Partnership overheads has identified that a greater proportion of these should be treated as revenue expenditure supporting the responsive repairs and empty homes programme rather than capital expenditure supporting the investment programme. Therefore, there is a reduction in resources of £0.449 million shown below, which is simply an accounting adjustment, switching the current costs from capital to revenue.
- 3.9 The budget for capital financing costs of £8.148 million has increased by £0.929 million. In order to maximise capacity for future borrowing, this budget now includes a new set aside of £1.000 million, for the future repayment of debt. The budget also includes the repayment of capital of £1.336 million with the remaining costs being interest on the outstanding debt.
- 3.10 The budget variances result in an increase in the overall surplus of £2.137 million which will be used to support the capital programme and is shown as 'revenue contributions to capital' within the Revenue Budget. Savings proposals, service pressures and changes to rent and fees and charges are detailed in paragraphs 3.11 to 3.18.

Table 1: Main Budget Variations

	£'000
Adjusted Budget 2012/13	(400)
<i>Increases in Resources:</i>	
Savings Proposals as detailed in paragraph 3.11	(671)
Increase in rent for dwellings (net of empty properties)	(2,532)
Net Increase in service charges	(260)
Increase in major works income from leaseholders	(520)
Budgeting at actual National Insurance contributions	(142)
Other minor variances	(63)
<i>Reductions in Resources:</i>	
Employees pay award and other inflation	473
Service Pressures as detailed in paragraph 3.12	600
Accounting adjustment – repairs overheads costs	449
Increase in capital financing costs	929
Revenue contribution to capital schemes	2,137
Original Budget 2013/14	0

Savings & Service Pressures

3.11 Housing Management has identified savings of £0.671 million in the following areas:

- The full year effect of the introduction of Customer Access Review phase 3 in July 2012 achieved savings of £0.130 million resulting in a reduction in Housing Management unit costs.
- A final review of all HRA budgets and the centralisation of office management purchasing has achieved savings of £0.141 million.
- Reduction in the management costs of £0.030 million associated with managing temporary accommodation properties following the leasing of these properties to Brighton & Hove Seaside Community Homes.
- A saving of £0.300 million for the Mears responsive repairs and empty property works through service efficiencies and a reduction in unit costs.

- The gas servicing and maintenance contract with Mears and PH Jones has achieved efficiencies of £0.070 million.

3.12 Service pressures and improvements of £0.600 million are:

- Investment of £0.094m in staff to support the management of capital and service contracts and reduce the need for expenditure on specialist consultant support.
- Additional staff and associated supplies and services to support future HRA housing development and regeneration projects, including the redevelopment of the garage sites at an investment of £0.286 million.
- The introduction of benefit reductions for those tenants that are classified as under occupying and changes to disability allowance from April 2013 may make it harder to collect rents, so a modest increase to the contribution to the bad debt provision of £0.070m will be included in the budget.
- To implement a range of measures to support financial inclusion through the development of a range of specialist money and debt advice services at an estimated cost of £0.150 m to support households in financial difficulty. This investment will also help to sustain rental and service charge income collection to the HRA and is being coordinated with the council's wider approach to financial inclusion.

Rents 2013/14

- 3.13 Rents will continue to be calculated in accordance with the government's rent restructuring guidelines. Target rents for each property are calculated based on the relative property values, bedroom size and local earnings. The act of moving tenants' current rents to the target rent is called rent convergence. In order to limit increases in current rents to reach target rents, the guidance specifies a maximum rent increase equivalent to inflation + ½% + £2 per week.
- 3.14 Local Authorities use the September 2012 Retail Price Index of 2.6% plus 0.5% for setting rent inflationary increases. The rent convergence date remains at 2015/16. As the majority of the rents are increasing towards target rents, this results in an **average rent increase of 4.26% for Brighton & Hove**. This is the equivalent to an increase of £3.24 per week, increasing the average rent to £79.29. However, in line with rent restructuring, all rents are moving towards their individual targets and some rents will be increasing by more or less than the average rent. The maximum increase will be approximately £6.11, with the lowest increase being £0.22 per week. Approximately 78% of tenants are in receipt of housing benefit.
- 3.15 Approximately 13% of HRA properties will not reach their target rents by the convergence date of 2015/16. This is because the increases required to reach the target rent are greater than the maximum rent increase allowed by the rent restructuring guidance (which is an increase of RPI + ½ % + £2 per week). It is therefore proposed to adopt target rents for all future property lettings to support bringing as many properties as possible to target rents. This will not affect current tenancies.

Fees and Service Charges 2013/14

- 3.16 The proposed changes to fees and charges for 2013/14 are set out in Table 2. All service charges are reviewed annually to ensure full cost recovery and also to identify any service

efficiencies which can be offset against inflationary increases in order to keep increases to the minimum.

Table 2 : Proposed Increases to Fees and Service Charges

	Number of tenants affected	Eligible for HB	2012/13 Average Weekly Charge	2013/14 Proposed Average increase/ (decrease) %	2013/14 Proposed average increase/ (decrease) per week £	Comments
Grounds Maintenance	5,800	yes	£0.63	2%	£0.01	Contractual increase
Communal cleaning	5,535	yes	£2.77	0%	Nil	
Communal heating - gas	1,115	no	£9.28	(4%)	(£0.36)	See paragraph 3.17
Communal heating - electric	79	no	£7.13	tba	tba	See paragraph 3.18
TV Aerials	5052	yes	£0.56	0%	Nil	
Sheltered Services – common ways	853	yes	£8.23	2.5%	£0.21	Contractual increase and full cost recovery
Sheltered Services- laundry	827	yes	£1.26	5.7%	£0.07	Contractual increase
Water	147	no	£3.21	7%	£0.22	Estimated Contractual increase
Video entry	12	yes	n/a	new charge	£0.96	Balchin Court – under construction
Guest rooms	n/a	no	£8.80 per night	9.3%	£0.79	Increase for cost recovery
Supporting People	783	SP grant	£12.85	0%	Nil	Grant will remain at 2012/13 level
Garages & Car Parking	2,365	no	£8.04	0%	Nil	

Heating

- 3.17 The heating and hot water service charges for residents with communal gas fired boilers are proposed to **reduce** by an overall average of 4% (£0.36 per week) from 1 April 2013, with a maximum reduction of 12.5%, £1.12 per week and a maximum increase of 5.6%, £0.41 per week. Under the current corporate gas supply contract, the unit price for gas is revised annually in October each year. From October 2013, the unit price for gas has increased by an average of 2%, for blocks with communal boilers. However, the latest review of gas consumption shows a reduction in estimated energy consumption in a number of blocks resulting from a mixture of improvements including boiler upgrades and replacements, and the installation of solar panels for hot water. This has therefore resulted in an overall average reduction in service charges by 4%.
- 3.18 Two council blocks (Elwyn Jones Court and Broadfields) are heated by electric heating systems. Service charges for these blocks will be amended from 1st April to reflect the new contract price and the latest estimates of consumption. The new contract is currently being procured and prices will not be known until March 2013, at the earliest. Indications are that the unit price may increase by as much as 27%. If this were to be the case, tenants in these blocks would receive increases of, on average, £1.93 per week. However, these tenants have benefited from fixed heating costs over the last three years and, in fact, received a 16.51% reduction in their heating charges from 1st April 2010 with no increases since.

Medium Term Financial Forecast

- 3.19 The introduction of self financing has provided additional resources from the retention of all rental income and, through greater control locally, will enable longer term planning to improve the management and maintenance of council homes. Although there are additional resources available in the long term, self financing includes a cap (or limit) on the amount of HRA borrowing for capital investment by each local authority. This limit is set at £158.2 million for Brighton and Hove and the estimated total borrowing up to 31 March 2014 is £127m providing additional borrowing capacity of £31m.
- 3.20 The HRA 30 year Business Plan will be updated to reflect the proposed 2013/14 budget and reviewed to assess the opportunities for additional investment (as outlined in the Housing Investment 2012-2020: Strategy & Implementation Plan report to Housing Committee on 26 September 2012) and how the housing debt could be structured to accommodate these plans or possibilities. In the meantime, until a debt strategy is developed, the Budget Strategy assumes that all revenue surpluses that are not required for capital investment are set aside for the repayment of debt, hence £1.000 million has been set aside for 2013/14 and £2.000 million thereafter. This will reduce the interest payments on existing debt and provide greater headroom in the borrowing limit for future development opportunities. The current Medium Term Financial Forecasts are detailed in Appendix 2.

Projected HRA Revenue Reserves

- 3.21 Table 3 details the projected revenue reserves for 2013/14 which are estimated at £3.653 million as at 31 March 2014. Movements in reserves include a contribution of £3.270 million to fund the 2012/13 capital programme, £1.500 million to fund the 2013/14 capital programme and an estimated contribution of £1.304 million from the 2012/13 revenue forecast outturn. The main variances from the 2012/13 forecast outturn as at month 9 are detailed in Appendix 1.

- 3.22 The 2012/13 revenue budget was set with a surplus of £0.400 million to establish an earmarked reserve to fund commissioning priorities plans when developed to tackle financial exclusion and inequality, promoting access to services and improving support for vulnerable families and adults on low incomes. These plans have now been funded within the 2013/14 budget (at an annual cost of £0.150m as detailed in paragraph 3.12) and absorbed within the underspending in 2012/13 so there is no longer a need to maintain an earmarked reserve for this purpose. Therefore the projected reserves include the release of this earmarked reserve.
- 3.23 The recommended working balance (minimum level of reserves) is £2.800 million. Therefore usable revenue reserves are projected at £0.853 million at 31 March 2014, which can be used to support one off items of expenditure.

Table 3: Projected Unearmarked Revenue Reserves at 31 March 2014

	£'000
Reserves at 1 April 2012	6,719
Less: Contribution to fund the capital programme 2012/13	(3,270)
Plus: Forecast contribution from 2012/13 Revenue Outturn	1,304
Release of earmarked reserve for commissioning priorities	400
Projected reserves at 31 March 2013	5,153
Less: Use of revenue reserves to fund the capital programme 2013/14	(1,500)
Total Projected Balance at 31 March 2014:	3,653
Applied to:	
Working Balance	2,800
Usable revenue reserves	853

- 3.24 Estate Development Budget reserves, which are held separately from the HRA general reserves, are £0.146 million as at 1 April 2012. These reserves relate to committed revenue and capital expenditure for schemes agreed in previous financial years that are not yet completed.

4. CONSULTATION

- 4.1 The service has undertaken consultation with residents as part of the budget setting process, based around their priorities for the service. The consultation took place at Area Housing Panels in October with a follow up session at the City Assembly meeting in November. Each session used electronic voting technology to enable residents to register their views confidentially and see real time results. Each session was introduced with a quiz to provide background and context to the Housing Revenue Account budget.
- 4.2 The Area Panel sessions involved council offers presenting the case for two different budget areas with questions and discussion. This was followed by voting on which area is the most important budget priority or if they should be treated in balance. The results were as follows:

Option 1	Option 2	Resident priority
Spending money on making your homes Safe and more accessible	Spending money on making your homes warmer and more energy efficient	Both in balance
Investment in prevention (e.g. tackle problems early and services such as money advice)	React as problems arise (e.g. reactive repairs, tackle ASB as it arises)	Both in balance
Make efficiencies to reinvest in properties (e.g. close offices to support house building and investment in homes)	Maintain services as they are with no growth	Option 1

4.3 At the Citywide Assembly, in November 2012, residents looked at each of the priorities identified at Area Panels and discussed in groups their views about each area. They then identified specific areas of work that they as a group would like to see prioritised. The wider Assembly then voted on each of these areas. Priorities which received the most support included:

- Solar panels for revenue generation and reducing bills
- Review assets to see if any can be sold e.g. offices, garages or land
- Reacting and feeding back on anti social behaviour
- Increase rents for new homes and those who can afford it
- Lifts to be repaired quicker
- Draft proofing checks for homes
- Faster response when repairs are reported
- Reacting quickly when a vulnerable tenant has not been seen

4.4 The review and challenge of the options as they were developed for this paper included members from all political parties. A Scrutiny Panel considered the HRA budget strategy proposals in December 2012.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 Financial Implications are included in the main body of the report

Finance Officer Consulted: Sue Chapman

Date: 22/01/13

Legal Implications

5.2 The Council is required to keep a separate Housing Revenue Account (HRA) by virtue of the Local Government and Housing Act 1989. Preceding any financial year, the council must formulate for that year proposals relating to i) the income from rent and charges of all property within the HRA, ii) the expenditure on repair, maintenance, supervision and management of that property and iii) any other prescribed matters. In formulating the proposals, the council must use its best assumptions and estimates to secure that on their implementation the account will not show a debit balance. Within one month of

formulating the proposals it must prepare and place on deposit a statement setting out the proposals and estimates. The report is compatible with the council's statutory obligations.

Lawyer Consulted:

Liz Woodley

Date: 5/12/12

Equalities Implications:

- 5.3 The HRA budget will fund services to people with special needs due to age, vulnerability or health needs. In order to ensure that the equality impact of the budget proposals is fully considered as part of the decision making process, an Equality Impact Assessment screening document for the HRA budget proposals has been prepared and is included elsewhere on the agenda. Full equality impact assessments have been developed on specific areas where required. As part of the Council's engagement process, a series of meetings are being held with specific communities of interest in January to explore the issues for these groups arising from the Council's budget changes

Sustainability Implications:

- 5.4 The HRA budget will fund a range of measures that will benefit and sustain the local environment. The self financing settlement will provide a framework within which all local authorities can sustain their stock in a good condition in the future. This should enable the council to deliver a range of measures that will benefit and sustain the local environment.
- 5.5 The report includes reductions in communal gas heating charges resulting from lower gas consumption due to a range of measures implemented by the council. This includes improvements in thermal efficiency from over cladding schemes, window replacements, boiler replacements and monitoring and management of temperature controls in communal heating blocks.

Crime & Disorder Implications:

- 5.6 The Budget includes financial provision for Crime and disorder implications.

Risk & Opportunity Management Implications:

- 5.7 Financial risks have been assessed throughout the development of the council's budget. The introduction of Self Financing means that all the risks inherent in running a housing business will now transfer from the government to the local authority. The key risks which will need to be managed and developed as sensitivities and scenarios within the model may include:
- Inflationary risk that expenditure inflation is greater than income, particularly with rental increases determined by national rent policy.
 - Managing interest rate fluctuations and debt portfolio
 - Long term capital and maintenance responsibilities cannot be met by available resources
 - Balancing regeneration and redevelopment needs with tenants priorities
- 5.8 A full risk register will therefore be developed in preparing the HRA Business Plan.

Corporate / Citywide Implications:

5.9 The Budget seeks to improve the quality of housing and services provided to tenants across the City.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 There are no alternative options proposed.

6.2 Rents have been set in accordance with the Government's rent restructuring guidance. In previous years, the Housing Subsidy Determination controlled rent setting increases by removing resources from local authorities through non compliance. Although the subsidy system is now abolished increases in rents above rent convergence will be subject the rent rebate limitation which sets a limit on how much rents can be increased. Any increases above this limit result in a loss of Housing Benefit Subsidy which is payable by the HRA.

6.3 The government's policy for rent restructuring is to ensure rents are fair and equitable nationally so, although the authority can set rents at a lower level than rent restructuring, this will bring the rents out of line nationally and provide a lower level of resources to fund repairs, maintenance and improvements works both in this years and future financial years. For example a 1% reduction in the rental increase (saving each tenant an average of £0.76 per week in rent increase) will result in a loss of rental income of approximately £0.870 million over the next three years.

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 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 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 breakeven budget and recommends rent increases in line with current government guidance.

SUPPORTING DOCUMENTATION

Appendices:

1. HRA Forecast Outturn 2012/13 and Budget 2013/14
2. Medium Term Financial Forecasts

Documents in Members' Rooms

None

Background Documents

1. 2013/14 Housing Revenue Account Working Papers

HRA Forecast Outturn 2012/13 and Budget 2013/14

	2012/13 Adjusted Budget £'000	2012/13 Forecast Outturn £'000	2013/14 Original Budget £'000
EXPENDITURE			
Employees	8,518	8,205	8,543
Premises - Repairs	10,645	10,040	11,139
Premises - Other	3,810	3,587	3,443
Transport	167	151	143
Contribution to Bad Debt Provision	214	214	288
Supplies & Services	1,642	1,444	1,660
Third Party Payments	105	111	147
Support Services - From Other Departments	1,981	1,930	1,999
Revenue Contributions to Capital Schemes	18,274	18,674	20,779
Capital Financing Costs	7,244	7,244	8,148
Total Expenditure	52,600	51,600	56,289
INCOME			
Rents Dwellings	(46,702)	(46,860)	(49,234)
Rents Car Parking / Garages	(800)	(810)	(824)
Commercial Rents	(446)	(446)	(446)
Service Charges	(4,152)	(4,328)	(4,932)
Supporting People	(465)	(484)	(465)
Other Recharges and Interest	(435)	(376)	(388)
Total Income	(53,000)	(53,304)	(56,289)
TOTAL DEFICIT / (SURPLUS)	(400)	(1,704)	0

Note: Third Party Payments includes launderette and financial inclusion contracts.

Targeted Budget Management (TBM) 2012/13 as at Month 9

The forecast outturn for month 9 is an underspend of £1.304 million, which will provide a contribution to revenue reserves to be reinvested in the Housing Revenue Account Capital Investment Programme for 2013/14.

The Employees budget is forecast to underspend by £0.313 million due to vacancies throughout the service while recruitment to the new Housing and Social Inclusion structure was being finalised. The forecast also includes underspends on pension costs as fewer staff than budgeted are members of the pension scheme.

The Premises repairs budget is forecast to underspend by £0.605 million partly off-set by overspends on asbestos works of £0.064 million and lift maintenance £0.086 million. The significant major underspend variances are:

- Responsive repairs are forecast to underspend by £0.300 million due to the continuation of the policy implemented last year to review responsive repairs within the context of the replacement programme, resulting in lower than expected values and numbers of responsive repairs.
- Further underspends on the costs of gas servicing of £0.103 million as a result of re-basing of the open book contract after the budget was set.
- Works to empty properties is also underspent by £0.171 million as a result of fewer properties than budgeted becoming empty and therefore requiring works.
- There is also a £0.073 million underspend relating to works to the Housing Centre as well as £0.096 million underspend on fire alarms and fire risk works.

Premises Other is forecast to underspend by £0.223 million from the following significant variances:

- £0.039 million underspend on premises costs relating to the housing centre due to uncertainties of the annual operating costs at budget setting time;
- £0.090 million on utility costs and £0.020 million on council tax payments due to fewer empty properties than expected.
- an anticipated £0.041 million underspend for decorating vouchers.
- £0.040 million reduction in expenditure relating to insurance claims.

The Supplies & Services underspend of £0.214 million is also made up of a number of variances including £0.104 million for professional and consultancy fees no longer required in this financial year due to the changing of projects and more utilisation of in-house staff. There are further underspends of £0.030 million on legal fees for leaseholder tribunals, £0.076 million on general office expenses, furniture etc., as well as a reduction in vehicle maintenance costs as a result of the new vehicles being purchased.

The disabled adaptations programme for Council tenants had identified an increased investment requirement of £0.400 million, which can be funded from an increase in revenue contributions to the capital programme, due to the overall underspend on the revenue budget.

Rental income is forecast to over recover by £0.158 million as the number of voids and the length of time empty properties were held ready for transfer to Seaside Community Homes are less than assumed at budget setting.

Service Charge income from leaseholders is forecast to over-recover by £0.280 million as a consequence of more repairs works being carried out to leaseholders' properties during the last financial year thereby increasing the 2011/12 repairs service charge for leaseholders (billed in 2012/13). This is off-set by small amounts of under-recovery from various service charges totalling £0.104 million caused in part by a reduction in the number of properties as they have transferred to Seaside Community Homes which was difficult to predict at budget setting time.

Other income and recharges are projected to overspend by £0.059 million due to less income than budgeted for rechargeable repair works as well as a reduction in the professional fees recouped from right-to- buy valuations.

Medium Term Financial Forecasts

Revenue Budget	2013/14 £'000	2014/15 £'000	2015/16 £'000
Expenditure			
Employees	8,543	8,426	8,444
Premises -Repairs	11,139	11,317	11,500
Other expenditure	7,680	8,067	8,128
Capital Financing	7,148	7,451	7,877
Capital Financing – Set aside	1,000	2,000	2,000
Total Expenditure	35,510	37,261	37,949
Income			
Rental Income	(49,234)	(50,237)	(52,247)
Other Income	(7,055)	(6,355)	(6,123)
Total Income	(56,289)	(56,592)	(58,370)
NET SURPLUS	20,779	19,331	20,421
Allocated to :			
Revenue Contribution to Capital schemes	20,779	19,331	20,421

Assumptions

1. General inflation is included at 2% per annum. However, pay increases are assumed at 1% for 2013/14 and 2% per annum thereafter to cover pay award and pay related matters.
2. Efficiency savings are assumed at £0.738 million over 2014/15 and 2015/16.
3. Capital financing costs are projected to increase reflecting the capital repayment/set aside of £3.946m and £4.358m for 2014/15 and 2015/16 respectively. The total estimated borrowing as at 31 March 2016 is £119m, against the debt cap of £158m, providing the opportunity for additional borrowing of £39m subject to affordability.
4. Rents are assumed to increase by 4% for 2014/15 and 4% for 2015/16, which includes provision for increases to meet rent convergence at target rents.
5. Other income is projected to increase by 1%. However, income from major works to leasehold properties is projected to reduce by £0.800 million from 2014/15 and reduce by a further £0.300 million in 2014/15.

The net revenue surpluses over the three year period will be used to fund the HRA Capital Programme 2013 – 2016

Subject: Housing Revenue Account Capital Programme 2013-2016 - Extract from the Proceedings of the Housing Committee Meeting held on the 16 January 2013

Date of Meeting: 14 February 2013

Report of: Interim Lead, Chief Executive Services

Contact Officer: Name: Lisa Johnson Tel: 29-1228
E-mail: lisa.johnson@brighton-hove.gov.uk

Wards Affected: All

HOUSING COMMITTEE

**4.00 pm 16 January 2013
COUNCIL CHAMBER, HOVE TOWN HALL**

DRAFT MINUTES

Present: Councillor Wakefield (Chair), Powell (Deputy Chair), Peltzer Dunn (Opposition Spokesperson), Farrow (Spokesperson), Davey, Deane, Fitch, Jarrett, Mears and Wells.

PART ONE

49. HOUSING REVENUE ACCOUNT CAPITAL PROGRAMME 2013-2016

- 44.1 The Committee considered a report of the Director of Finance and Strategic Director, Place which set out the Housing Revenue Account Capital Programme 2013-16.
- 44.2 Councillor Farrow said that he felt that the Programme did not meet the needs of tenants in the city and that he would abstain from recommending it to Policy & Resources Committee. Paragraph 5.17 of the report stated that the budget had been increased with the aim of providing 15-20 home extensions per annum. Councillor Farrow felt that this was too low and was inadequate for the needs of the city. He asked that officers look at simpler ways to undertake conversions/extensions to ensure that more could be built. Councillor Fitch said that he too felt that loft conversions/extensions were important and hoped that the budget for this area of work could be increased further. Officers agreed that loft conversions could be useful, and the number proposed was higher than the number undertaken last year. However, extensions to homes weren't always the most appropriate course of action, and with the forthcoming benefit reforms there was a risk that a family may end up with too many bedrooms in the property.

- 44.3 Councillor Farrow referred to paragraph 5.18 which related to Fencing and asked that this be a priority. Erecting fencing was important for health and safety, particularly for those with young children, pets etc. Officers said that a draft policy on fencing was going to Area Panels and would then go to the HMCSC. If there was a fence which needed repairing because of health and safety issue, the work would be undertaken from the Repairs Budget. This report related to improving boundary fencing across the city and would come from the Estate Development Budget.
- 44.4 Councillor Mears referred to paragraph 3.2 (2) Creating a More Sustainable City, and asked if a report on One Planet Living could come to a future meeting of the Housing Committee. Councillor Mears also asked if more information could be provided on the capital receipt from Seaside Homes as that funding needed to be taken into account. The Chair agreed for that information to be made available.
- 44.5 Councillor Mears referred to paragraph 5.21 on building new council homes and was concerned that the scheme, which had been started under the previous administration, had not moved forward.
- 44.6 Councillor Jarrett welcomed the reduction in time for lift repairs, and suggested that where possible a more proactive approach be taken to identify any problems with lifts before they broke down. Officers confirmed that engineers already carried out regular servicing for lifts.
- 44.7 Councillor Peltzer Dunn referred to paragraph 6.8 which said that a draft of this report had been presented to the Housing Committee on 18 December 2012, but said that that was incorrect as the report previously considered had had amendments and therefore it was a different report. Officers confirmed that there had been some small changes to the report.
- 44.8 **RESOLVED:** That the Housing Committee recommend that Policy & Resources approves the capital programme budget of £26.957 million and financing for 2013/14 as set out in paragraph 4.1 of the report.

Subject:	Housing Revenue Account Capital Programme 2013-2016		
Date of Meeting:	14 February 2013 18 December 2012 – Housing Management Consultative Sub-Committee 16 January 2013 – Housing Committee		
Report of:	Strategic Director of Place		
Contact Officer:	Name:	Tom Gillham - Head of Property Investment	Tel: 29-3857
	E-mail:	tom.gillham@brighton-hove.gov.uk	
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report seeks approval for the 2013/14 capital programme and provides a provisional capital programme for the following two years, 2014/15 & 2015/16, for the Housing Revenue Account (HRA). The report takes into consideration the latest resources available and commissioning investment priorities.
- 1.2 The council's Housing Revenue Account (HRA) relates to the council's landlord duties in respect of approximately 11,935 properties and 2,555 leasehold properties.

2. RECOMMENDATIONS:

- 2.1 That the that Policy & Resources Committee approves the Housing Committee recommended for a HRA capital programme budget of £26.957 million and financing for 2013/14 as set out in paragraph 4.1 and comments upon the proposals.
- 2.2 That Policy & Resources approves the capital programme budget of £26.957 million and financing for 2013/14 as set out in paragraph 4.1.

3. STRATEGIC CONTEXT

- 3.1 The 2013 - 2016 provisional HRA Capital Programme aims to balance the priorities of both the City Council and our residents to achieve a good quality, sustainable, and fit for purpose housing stock which delivers against emerging housing commissioning investment priorities as identified in the housing commissioning framework. The Capital Programme is developed within the context of the Corporate Plan 2011-2015, which sets out the council's strategic

direction and priorities for the next four years, based around the five council priorities:

- Tackling inequality
- Creating a more sustainable city
- Engaging people who live and work in the city
- A responsible and empowering employer
- A council the city deserves

3.2 The capital strategy will focus on meeting the overarching housing strategy and corporate plan priorities through investment in building new homes, and improving the quality and sustainability of the existing housing stock. The HRA capital strategy aims to ensure that every pound invested reaches beyond the housing service and contributes to regeneration, tackling inequality, creating training and employment opportunities and improving sustainability. In supporting these priorities the capital programme will focus on:

1) Tackling Inequality

The Capital budget strategy focuses upon: Investment in building new affordable homes in HRA land and specific garage sites. The development of new housing also has a strong economic multiplier impact on the local economy (estimated at £3.51 of economic output for every £1 of public investment) creating jobs and supply chain business opportunities

- § Continuing the improvement in the quality of existing council homes by achieving the Brighton & Hove Standard (Decent Homes Standard) across the housing stock by the end of 2013. Research by Nottingham Trent University has estimated that every pound spent on Decent Homes improvements creates £1.46 in local spend through orders to tradesmen and suppliers in the area
- § Increased investment in adaptations to enable council tenants to live independently in their homes. Adaptations to housing are aligned with adult social care's focus on prevention and re-ablement, which minimises delayed discharges and avoidable admissions to hospital and reduces the pressure on health and social care budgets.
- § Action to increase asset value, tackle over-crowding, and improve health and well-being through the continuation of the loft conversion and home extension programme.
- § Tackling health inequalities through an ongoing strategic programme to prevent damp and reduce condensation in homes.

2) Creating a more sustainable city

The capital programme will focus on improving the sustainability and energy efficiency of the housing stock by reducing waste and delivering more affordable warmth:

- Tackling fuel poverty through continued investment in providing modern, energy efficient heating for council housing residents.
- Improving the sustainability and energy efficiency of the housing stock in line with the emerging One Planet Living Sustainable Action Plan for council housing. This would include insulation improvements, over-cladding projects, solar photovoltaic (PV) and improvements to communal lighting.

- Investing in estate regeneration to make best use of our existing assets and building new council homes to high sustainability standards.

3) Engaging people who live and work in the city

- The budget strategy continues to provide £0.540m for the tenant-led estate development budget. This budget is now operated using a not-for-profit model to maximise social value. The lift replacement programme was accelerated and investment increased as a direct response to the 2012/13 budget consultation. Budget consultation this year has also informed our discretionary capital spend.

3.3 This report outlines the strategic commissioning approach to the 3-year HRA capital programme giving details of proposed funding for:

- Improving housing quality
- Brighton & Hove standard works
- Sustainability and carbon reduction
- Tackling inequality
- Building new council homes

It should be noted that Decent Homes work is included within Improving housing quality, Brighton & Hove standard works and sustainability and carbon reduction programmes.

4. FUNDING 2013/14 CAPITAL PROGRAMME

4.1 The 3 year programme is funded from a variety of sources including revenue surpluses, general reserves, borrowing, capital receipts from leasing properties to Seaside Community Homes and Right to Buy sales and grants. The proposed programme for 2013/14 and the funding arrangements are outlined below. This programme does not include any reprofiling identified from the 2012/13 targeted budget monitoring.

	2013/14 Budget £'000
EXPENDITURE	
*Improving housing quality	8,942
*Brighton & Hove standard works	6,266
*Sustainability & carbon reduction	8,236
Tackling inequality	2,863
Building new council homes	650
Total Programme	26,957
FUNDING	
Revenue Contribution to Capital	20,779
Borrowing	2,948
Decent homes indicative funding	1,000
Other Grants - CESP	80
Reserves	2,150
Total Funding	26,957

Projected Capital Reserves at 31 March 2014	250
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** Decent Homes works of approx £13 m pa included in these work programmes*

- 4.2 The majority of the capital programme is funded from the 2013/14 revenue budget surpluses (from rental income) of £20.779 million, supported by borrowing of £2.948 million for which the capital financing costs are included in the revenue budget.
- 4.3 The Homes and Communities Agency confirmed that provisional grant funding of £1 million for 2013/14 and a further £1.2 million for 2014/15 available to support the Decent Homes programme has been allocated. In addition, the funding includes an assumed level of external funding of £0.080 million via the Government's carbon reduction grant funding programmes, run by utility companies.. The funding is generated from work that bring about carbon use reductions in the housing stock.
- 4.4 The Council anticipates receiving £2.6 million capital receipts from the leasing of properties to Brighton & Hove Seaside Community Homes 2014/15, with a further £3.3 million due in 2015/16.
- 4.5 The 2013/14 budget assumes that retained capital receipts from 'right to buy' (RTB) sales will be held in reserves until 2014/15 and then used to offset against the costs of the building new council homes programme. Capital reserves at 31 March 2014 are projected at £0.250 million which reflects the estimated retained RTB receipts.

5. CAPITAL PROGRAMME 2013-2016

- 5.1 The investment programme for 2013/14 is £26.957 million and is detailed in Appendix 1, along with the provisional programme for the following two years.
- 5.2 The 3 year Capital Investment Plans provide the council with medium and long-term works information which will enable the council to build, achieve and sustain consistently high levels of customer service, to both general housing and sheltered homes across the city. This plan will help to build on the progress already made ensuring proactive, efficient and effective pre-planning, as well as continuously improving resident liaison and overall engagement. The plan effectively supports the council's commitment to communicate plans and intentions, and further develops one of the key objectives of transparency.
- 5.3 This 3 year plan takes its lead largely from that consulted on and agreed last year, giving a consistent strategic approach, and assisting with achieving programme delivery. Outline plans are currently being developed into meaningful geographical areas of work programmes with indicative timelines to foster improved resident communication, and understanding, of our major works plans across the city. Once these plans are finalised, with our partners, over the coming weeks, further details will be reported as appropriate, to allow further discussion of the capital investment programme. The programme will also be published on the council's website, as usual and as soon as possible, to ensure full access to information. A high level of resident liaison and involvement in the

earliest phases, and throughout refurbishment programmes is supported through the agreed processes now in place with Mears.

1) Improving Housing Quality

- 5.4 Health & safety works remain the key basic requirement for ensuring the wellbeing of all residents, visitors and those working on housing assets. This area of works includes door entry systems, close circuit television (CCTV), water tanks, lifts, ventilation shafts, dry risers, fire alarms, asbestos management, roofing, lighting, structural building work, preventative damp work, cyclical maintenance and decorations programme.
- 5.5 The 3 year programme includes substantial investment in lift replacements and modernisation. This budget was increased to reflect tenants support for completing the lift replacement programme as soon as is practical. The increased funding reflected in this programme will enable the new lifts to be installed across the city within the next 7 years, rather than the original plan to complete programme over a 10 year period. Over the year to come, replacement and upgrading will focus on installing new lifts at Hereford Court, Theobald House, Thornsedale, Philip Court, Sanders House, Nettleton Court and beginning the 2-year programme at Leach Court, subject to any leasehold requirements, where they apply.
- 5.6 Fire Safety and Asbestos management budgets throughout the period reflect the need to retain good levels of risk management in these key areas. In many cases, such as the door replacement programme, highly secure and fire compliant doors are being fitted, which also reduce drafts and improve energy efficiency for residents.
- 5.7 The Minor Capital works budget includes a provision for programmed works identified by residents where their homes and buildings require large or complex repairs, also a sum for surveys and preparatory works.
- 5.8 The budget now includes a specific programme for tackling condensation and mould growth. This essential work deals with a potential health hazard, and work to prevent effects of condensation and damp have been integrated into the cyclical area-based investment programmes. Other budgets for ensuring water safety and the security of residents, for example through modern, well maintained electronic door entry systems, make up our ongoing planned investment in safety and security in this area

2) Brighton & Hove Standard Works

- 5.9 The capital programme reflects the need to meet the Decent Homes target by December 2013. Works to improve homes include ensuring that internal elements such as kitchens, bathrooms, central heating systems and rewiring homes, as well as external elements such as doors and windows, all meet the benchmark standards. Additionally, basic health and wellbeing requirements are assessed, and the required safety levels met. By 2013/14, with decency achieved, the capital budgets reduce to a level that provides funding for those properties falling out of decency and for further investment in areas that provide comfort and security and improve energy efficiency. For example upgrading and

improving main entrance door sets in blocks of flats and installing high efficiency boilers.

- 5.10 A large scale electrical wiring programme to upgrade and improve communal lighting and controls, is now well underway, with provisional programmes published on the website.

3) Sustainability & Carbon Reduction

- 5.11 This programme supports our action plan commitments as set out as part of the One Planet Living plan, to reduce annual Carbon Emissions associated with energy use in council owned properties. Proposals include funding to allow the procurement of a separate contract, which will scale-up delivery over the next 3 years, to enable the installation of solar PV panels, integrated with appropriate projects, where possible, to take advantage of economies of scale and other identified stand-alone building improvement opportunities. It is important to note that insulation and other improvements to properties may be required in order to meet minimum energy performance requirements that are linked to feed-in tariff revenue generating payments being accepted.
- 5.12 Against the background of rising fuel costs, it is imperative that we reduce energy wastage by ensuring homes have modern heating systems and are well insulated to minimise the number of households suffering from fuel poverty. £10.1 million is included over the next three years to replace and upgrade a number of the communally heated systems alongside individual domestic replacements and improvements. Where practicable, renewable energy is being incorporated within these projects, for example, in 2012/13 Walter May House received a communal solar hot water system along with new high efficiency boilers. It is intended to undertake more of these types of project, subject to feasibility surveys that are now being undertaken.
- 5.13 Insulated over cladding provides an additional protective layer to our buildings this has a number of benefits including energy efficiency. The programme also includes survey and installation of cavity wall insulation and loft insulation top ups to 270mm, where construction types and location allow it. In addition it is proposed to fund the completion of ongoing major projects at Essex Place and Hereford Court, as well as starting Phase 2 improvements at the Bristol Estate (subject to further studies and required permissions).

4) Tackling Inequality

- 5.14 The capital programme has been proposed with the inclusion of the following discretionary items of spend:

Estate Development Budget (EDB)

- 5.15 The Estate Development Budget is included at £0.540 million per annum. Working collectively with our residents and Mears, officers wish to explore ways of returning even greater value for money and levels of customer satisfaction. EDB bids will be integrated into larger planned programmes of works, where it

makes sense to do so, in order to achieve greater economies of scale and therefore get more for EDB money.

Improving adaptability and accessibility

- 5.16 The aids and adaptations budget has been increased by a further £0.300 million per annum to £1.150 million to reflect the growing need for a variety of personalised adaptations to help residents continue to access and live comfortably in their home as their circumstances change. These projects are delivered by working together with Occupational Therapy professionals. A review will be undertaken during 2013-14, to ensure that the funding is delivering value for money.

Conversion and Extension of Existing Dwellings

- 5.17 The 3 year capital programme includes a programme of loft conversion and extensions to help alleviate overcrowding and to facilitate any required adaptation works, in some of our family homes. These projects have already helped to reduce the number of overcrowded families, and provide good quality family homes that meet the specific needs of vulnerable residents. We have identified many overcrowded families whose homes would benefit from adaptations, special needs or lifetime homes requirements that are integrated with the investment works where possible. These projects help local families to be in a position to plan for the future by being based in a suitable location for the long-term. This budget has been increased and aims to provide around 15-20 home extensions per annum, depending on the size and complexity of each project.

Fencing

- 5.18 This budget provides for a strategic approach to improving boundary fencing across the city. Fencing has been identified by residents as an area where greater resources should be allocated based on safety and security needs and a policy is being developed with partners and residents to reflect this.

Cycling Facilities

- 5.19 This proposed budget supports sustainable lifestyles by allowing communities to identify and install improved cycling infrastructure, such as secure, dry storage facilities and lighting.

5) Information Computing Technology

- 5.20 Investment in ICT continues to be key to improving the council's online offer to residents by expanding the range of fully web-enabled transactions and support residents to self-serve and access services more locally, particularly with Universal Credit and the impact of Welfare Reform starting to be felt. The budget has been reduced compared to previous years but provides for upgrade and improvements to the current Housing Management and Customer Online system and out the IDOX electronic document management system across all housing services.

6) Building new council housing

- 5.21 The Housing Investment 2012-2020: Strategy & Implementation Plan report approved by Housing Committee on 26 September 2012 outlined proposals for

future redevelopment and new build opportunities on HRA land. This included developing the final feasibility, design and build of 29 new housing units on demolished vacant garage sites. The current capital programme includes funding for initial feasibility, design, planning to develop these schemes, with an additional £1.000 million for building costs (during 2012/13) and a further £4.315 million in the provisional 2014/15 programme. Once full schemes are developed, a report will be presented to Committee for scheme approval.

- 5.22 The Housing Investment 2012-2020 report also included approval for funding (of £0.350 m for 2012/13 and £0.650 m for 2013/14) for the procurement of initial feasibility and design, on identified case studies for housing opportunities on HRA land where appropriate, including stakeholder engagement and consultation. Any proposed deliverable schemes from these case studies identified within 2013/14 will be reported to Policy & Resources for project, budget and funding approval.

6. CONSULTATION

- 6.1 Both the asset management panel (AMP) and Repairs and Maintenance Monitoring Group (RMMG) have successfully and effectively worked with BHCC staff and Mears to ensure that there is a thorough and transparent management of the programmes, and improvements to them. Both RMMG and AMP are represented on the Core Group, and are also to have representatives on the Partnership (operational) group and technical forum groups. All these groups will continue to work closely with BHCC and Mears as a partnership to ensure that contract expectations and requirements are met, and exceeded where possible.
- 6.2 The service has undertaken consultation with residents as part of the budget setting process, based around their priorities for the service. The consultation took place at Area Housing Panels in October with a follow up session at the City Assembly meeting in November. Each session used electronic voting technology to enable residents to register their views confidentially and see real time results. Each session was introduced with a quiz to provide background and context to the Housing Revenue Account budget.
- 6.3 The Area Panel sessions involved council offers presenting the case for two different budget areas with questions and discussion. This was followed by voting on which area is the most important budget priority or if they should be treated in balance. The results were as follows:

Option 1	Option 2	Resident priority
Spending money on making your homes safer and more accessible	Spending money on making your homes warmer and more energy efficient	Both in balance
Investment in prevention (e.g. tackle problems early and services such as money advice)	React as problems arise (e.g. reactive repairs, tackle ASB as it arises)	Both in balance
Make efficiencies to reinvest in homes (e.g. reduce office costs to support new house building and investment to improve housing and estates)	Maintain services as they are with no growth	Option 1

- 6.4 At the Citywide Assembly, in November 2012, residents looked at each of the priorities identified at Area Panels and discussed in groups their views about each area. They then identified specific areas of work that they as a group would like to see prioritised. The wider Assembly then voted on each of these areas. Priorities which received the most support included:
- Solar panels for revenue generation and reducing bills
 - Review assets to see if any can be sold e.g. offices, garages or land
 - Reacting and feeding back on anti social behaviour
 - Increase rents for new homes and those who can afford it
 - Lifts to be repaired quicker
 - Draft proofing checks for homes
 - Faster response when repairs are reported
 - Reacting quickly when a vulnerable tenant has not been seen
- 6.5 The information on the strategy and commitments of the 3-year capital programme for the period 2012-2015 was presented to residents in early 2012, and details circulated widely, including being available on our website. The 2013-2016 3-year plan seeks to build on these solid foundations and deliver the long-term commitments that were made in these programmes, in a transparent manner, whilst reflecting any new priorities that have emerged in consultation with residents, such as speeding up the lift replacement programme. As more details emerge, further details will be reported as appropriate, to allow further discussion of the investment strategy and programme.
- 6.6 All leaseholders have been, or will be, consulted about individual contracts carried out as part of the programme in full compliance with the Commonhold and Leasehold Reform Act 2002.
- 6.7 It is important to note that every project cannot be foreseen within our planning strategy and where ad-hoc projects are needed to be carried out this will be done through existing and new processes and procedures that incorporate effective communication and engagement with all residents in the properties concerned,

regardless of their individual tenure. All appropriate resident groups are to be fully included in this consultation.

- 6.8 A draft of this paper was presented for discussion at the Housing Management Consultative Sub-Committee on 18th December 2012.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Financial Implications are included in the main body of the report

Finance Officer Consulted: Sue Chapman *Date: 02/01/13*

Legal Implications

- 7.2 In its role as landlord, the Council has statutory and contractual obligations to maintain the structure of and installations in its housing stock. The maintenance and works proposals contained within this report will assist the Council in fulfilling those obligations. The Council must take the Human Rights Act into account when making decisions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in the report.

Lawyer Consulted: Liz Woodley *Date: 03/01/13*

Equalities Implications:

- 7.3 All projects carried out include full consideration of various equality issues and specifically the implications of the Equality Act.

Sustainability Implications:

- 7.4 This programme supports the One Planet Council targets and Sustainable Action Plan. Housing is a key contributor to the Carbon Emissions reductions commitments and will help to reduce the number of residents affected by fuel poverty and rising energy costs. Project briefs are issued on all projects and require due consideration of sustainability issues, including energy conservation and procurement of materials from managed and sustainable sources.

Crime & Disorder Implications:

- 7.5 All contracts are entered into with a requirement for site security. Specific projects, directly address security and prevention of crime and anti-social behaviour.

Risk & Opportunity Management Implications:

- 7.6 The prime risks associated with this report are those associated with major construction projects. Full account of risk is taken through compliance, in all works, with the Construction Design & Management Regulations, which amongst other measures, require preparation of project specific Health & Safety Plans.

Corporate / Citywide Implications:

7.7 The Housing Capital Programme reaches to all parts of the city. It seeks to provide substantial improvement to the Council's housing stock and improve quality of residents' lives in their homes. The implementation of the proposed programme will take account of all relevant best practice guidelines and be developed to provide ever improving performance targets.

8. EVALUATION OF ANY ALTERNATIVE OPTION(S):

8.1 No alternative options were considered.

9. REASONS FOR REPORT RECOMMENDATIONS

9.1 The Local Government and Housing Act 1989 requires each Local Authority to formulate proposals relating to capital expenditure in respect of the HRA. The council's constitution and financial regulations require that capital budgets are approved through the Committee system.

SUPPORTING DOCUMENTATION

Appendices:

1. HRA Capital Programme for 2013-16

Documents in Members' Rooms

None

Background Documents

None

HRA Capital Programme 2013 – 16

EXPENDITURE	Budget 2013/14	Provisional Budget 2014/15	Provisional Budget 2015/16
	£'000	£'000	£'000
Improving Housing Quality			
Door Entry Systems & CCTV	247	248	250
Water Tanks, Ventilation, Fire Alarms & Lighting	288	289	292
Lifts	2,457	2,335	2,242
Fire Safety & Asbestos Management	507	468	430
Minor Capital Works	446	437	424
Roofing	1,095	1,111	1,134
Condensation & Damp Works	461	468	358
Structural works	1,827	1,228	352
Cyclical Decorations	1,614	1,461	1,492
Brighton & Hove Standard Works			
Dwelling Doors	427	409	394
Kitchens & bathrooms	2,196	1,871	1,910
Rewiring - Domestic/ Communal	1,291	935	991
Windows	2,352	1,345	1,313
Sustainability & Carbon Reduction			
Solar PV	309	516	730
Domestic/Communal Heating Improvements	3,600	3,287	3,180
Insulation improvements (incl overcladding)	4,327	4,033	2,662
Tackling Inequality			
Estate Development Budget	540	540	540
Disabled Aids & Adaptations	1,150	1,150	1,150
Conversions & Extensions Project	973	1,111	1,194
Fencing	69	70	72
Cycling Facilities	51	52	52
Housing ICT Budget	80	80	100
Building New Council Homes	650	4,315	-

	26,957	27,759	21,262
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Subject:	Risk Management Strategy 2013		
Date of Meeting:	14 February 2013		
Report of:	Director of Finance		
Contact Officer:	Name:	Jackie Algar	Tel: 29-1273
	Email:	jackie.algar@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 This report presents the council's Risk Management Strategy 2013 which is revised annually to take account of latest guidance and context and to ensure continuous improvement in risk management methods.
- 1.2 Approval for the Risk Management Strategy is the responsibility of Policy & Resources Committee; ongoing monitoring of the effectiveness of actions to deliver the Strategy is the role of the Audit & Standards Committee.

2. RECOMMENDATIONS:

- 2.1 That the Policy & Resources Committee approves the Risk Management Strategy 2013.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 On 9 February 2012 Cabinet approved a one year Risk Management Strategy on the basis that it would provide an approach for a three year period, but due to the extent of change affecting the council, it would be updated each year; and delegated authority was given to the Director of Finance to alter the risk management methodology to reflect best practice.
- 3.2 The purpose of a Risk Management Strategy is to contribute to the overall governance arrangements of the council and specifically to co-ordinate activities to direct and control an organisation with regard to risk¹. It therefore needs regular update to be a "living framework" to move with the operating environment of the council.
- 3.3 Many aspects of the risk management methodology have not changed because it is widely understood and integrated into existing processes. The main changes made to the Risk Management Strategy 2013 are as a result of:

¹ Based on "Risk Management: Process & Guidelines" BS ISO 31000: 2009 (BSI)

- a) Government introduced changes relating to the transfer of Public Health responsibilities to the council from April 2013 – the risk management strategy more overtly reflects this responsibility, however it should be recognised that there has been close work with health colleagues over the years, particularly in the shadow year 2012 before full integration of public health;
- b) significant changes to the council’s officer leadership and structure (contained in Element 1 of the Strategy);
- c) changes to the committee system, particularly the Audit & Standards Committee which now includes independent persons, which has a significant role in monitoring risk management;
- d) increased reference to in the Risk Category checklist to reflect the importance of data quality to improve performance and resource planning; also climate change adaptation;
- e) increased legislative freedom and financial incentive for the council to proactively develop the economic well-being of the council; this is reflected in the newly introduced “dual risk matrix” (in the Element 2 of the Risk Strategy 2013) to risk assess and manage opportunities.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

- 4.1 The work to establish Risk Management as a key element of the council’s Performance & Risk Management Framework has involved cross-discipline work.
- 4.2 From 2012 onwards there has been increased working with city partners to assess and manage risks which affect the city’s performance and risk management framework. It has led to risk management informing performance challenge and review sessions to better achieve city outcomes.
- 4.3 There are increasing links with local community groups, such as those represented on the Neighbourhood Councils’ Working Group, to develop an understanding of risk and opportunities for the city.
- 4.4 Risk Management applies across the multiple ways that the council delivers services and its joint work with external parties...

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The Risk Management Strategy assists the authority to comply with Corporate Governance Standards and will contribute to the authority’s control and risk management assessment for the Annual Governance Statement within the Financial Statements.

The Risk Management Strategy will support the city wide Performance & Risk Management Framework.

Finance Officer Consulted: Anne Silley

Date: 03/01/13

Legal Implications:

- 5.2 An effective risk management strategy will enable better identification of legal risks, promote their effective management and therefore minimise the council's exposure to potential liability.

Lawyer Consulted:

Oliver Dixon

Date: 03/01/13

Equalities Implications:

- 5.3 The council's operating model puts customers at the heart of our activities. The Risk Management methodology includes consideration of and a process to manage equalities implications.

Sustainability Implications:

- 5.4 Sustainability means protecting and enhancing the environment now and in the future, including climate change adaptation; meeting social needs; promoting economic success and risk management will be applied to each of these.

Crime & Disorder Implications:

- 5.5 There are no direct Crime & Disorder implications.

Risk and Opportunity Management Implications:

- 5.6 The Risk Management Strategy is focussed on improving the quality and consistency of risk & opportunity management of activities.

Public Health Implications:

- 5.7 The Risk Management methodology accords with that used by the NHS and is used to inform public health decision making and projects.

Corporate / Citywide Implications:

- 5.8 There are no direct citywide implications.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The city council could decide to request a longer term (not just one year) Risk Management Strategy but this would not always reflect the structure of the council and the challenges of the current time.
- 6.2 The city council could decide not to have any approved Risk Management Strategy but this would not accord with best practice for corporate governance.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 Having both Policy & Resources Committee involved in approval of the Strategy, and Audit & Standards Committee Members considering risk management arrangements ensures a wide range of Members are involved. This route for formal approval and practice is mirrored in other authorities.

SUPPORTING DOCUMENTATION

Appendices:

1. Risk Management Strategy 2013.

Documents in Members' Rooms

1. Risk Management Strategy 2013.

Background Documents

1. None.



Risk Management Strategy 2013

Managing the Risk and Realising the Opportunity



“Managing risk is part of everything we do.

In these challenging times, this strategy can help us, and our partners, to deliver for the city.”

Cllr Jason Kitcat,
Leader of Brighton & Hove City Council



“To achieve the Corporate Plan requires us all to be risk managers, each with:

- § courage to take informed risks;*
- § improved ability to recognise where, when and how to take up opportunities and also minimise negative risk impacts;*
- § confidence to demonstrate that risks and opportunities have been managed.*

Once we have done this we will have the right culture as an organisation and each of us will naturally practice risk management with the outcome that we are known and trusted as an organisation which seeks to reduce potential pitfalls and deliver quality services.”

Penny Thompson, CBE,
Chief Executive,
Brighton & Hove City Council

Purpose of the Risk Management Strategy

Effective risk management is not just about minimising the risk it faces but also about maximising opportunities, thereby improving the council's ability to delivery its priorities and improve outcomes.

The council's Risk Management Strategy exists to co-ordinate activities to direct and control an organisation with regard to risk¹.

The benefits gained in managing risk effectively include:

- § Better focus on business objectives which affect achievement of the Council's priorities and Corporate Plan;
- § Improved strategic, operational and financial management;
- § Increased ability to assess and take up opportunities which are likely to succeed;
- § Confidence to change practice and methods of service delivery to improve outcomes for the City receives; and
- § Better and more transparent decision making.

The risk management approach should be proportionate to the needs, size and complexity of the council and appropriately recognise the impact on the public of council services and functions to help build trust particularly as we move towards more collaboration, altered service delivery at the council and across the public sector partners, financial challenge and legislative change.

It can help to prioritise, use and channel available financial (or other resources) appropriately to enable achievement of outcomes for the community of Brighton & Hove by providing a method to enable risks and uncertainties to be managed through agreed arrangements for:

- § Identifying
- § Assessing & judging risks (including escalation to the management level above)
- § Assigning ownership
- § Taking action to mitigate or anticipate them (to be recorded in a risk register)
- § Monitoring and reviewing progress²

Risk Management is an essential element of an organisation's Governance Framework in respect of the council's arrangements and how it works with partners to achieve council and city priorities and outcomes³. Risk Management

¹ Based on "Risk Management: Process & Guidelines" BS ISO 31000: 2009 (BSI) which defines Risk as "*the effect on uncertainty on objectives*" and further expands that "*an effect is a positive or negative deviation from what is expected*".

² Based on HM Treasury's—The Orange Book Management of Risk - Principles and Concepts October 2004 but also in existence at the council through the **I DO RM** campaign: **I**dentify, **D**ecide & **O**der, **R**esolve Action and Record in a Risk Register, **M**onitor effectiveness.

³ See **Brighton & Hove City Council Corporate Plan 2011-15** for council priorities, and Brighton & Hove Sustainable Community Strategy for Strategic City Outcomes.

is a robust, systematic and documented process so that the council has an overview of how risks (such as threats or issues which could prevent achievement of objectives) and positive opportunities (such as those connected with innovation and working with others creatively to achieve objectives) has is managed and responds to better protect the council and the community of Brighton & Hove.⁴

Risk is also that we consider and take full advantage of opportunities to deliver clear benefits to the council and community. Opportunity risk can be explained as:

- § The upside of risk i.e. as opposed to threat;
- § Innovative rather than reactive;
- § Focused on achieving value;
- § Pro-active decision making from a risk basis; and
- § Adding significant and measurable/quantifiable advantages.

The Risk Management Strategy is reviewed and updated annually to keep it relevant to the council's priorities (it is a "living framework") and ensure it:

- continues to recognise that the council operates in an uncertain world, where the people, environment and communities of the city may be at risk;
- is a tested, understood and shared method to review priorities or challenge performance towards achievement of outcomes⁵;
- better reflects new, or emerging, circumstances to protect and ensure the safety of decisions; service design, innovation and delivery whilst also helping to improve strategic, operational and financial management;
- improves the ability of risk management to achieve benefits from the up take of opportunities whilst minimising losses and maximising resources for the services provided or commissioned; and
- emphasises that in addition to application of risk management processes, to successfully manage risks involves personal accountability and is a behavioural trait to be encouraged in and expected from individuals. A dynamic risk aware culture is vitally important for a successful organisation.

Aims of the Risk Management Strategy

To bring openness, transparency and consistency in understanding what risks and uncertainties the Council, and other organisations which the Council work with, face in delivering services for the city.

To identify and prioritise issues and plan to deliver improvements to effectively manage negative risks or develop and generate positive opportunities so that the Council's objectives and city outcomes are achieved.

⁴ This has been recognised by the council for some time, the previous Risk & Opportunity Management Strategy 2008-2011 refers.

⁵ During 2012 the Council and city partners have been informed by the risk management process to improve outcomes through performance challenge.

Our Risk Management Approach

To accord with best practice the Council's approach aims to get the right balance between innovation and change on the one hand, and the avoidance of shocks and crises on the other. This is why it can be more useful to refer to risk management also as Risk & Opportunity Management (ROM).

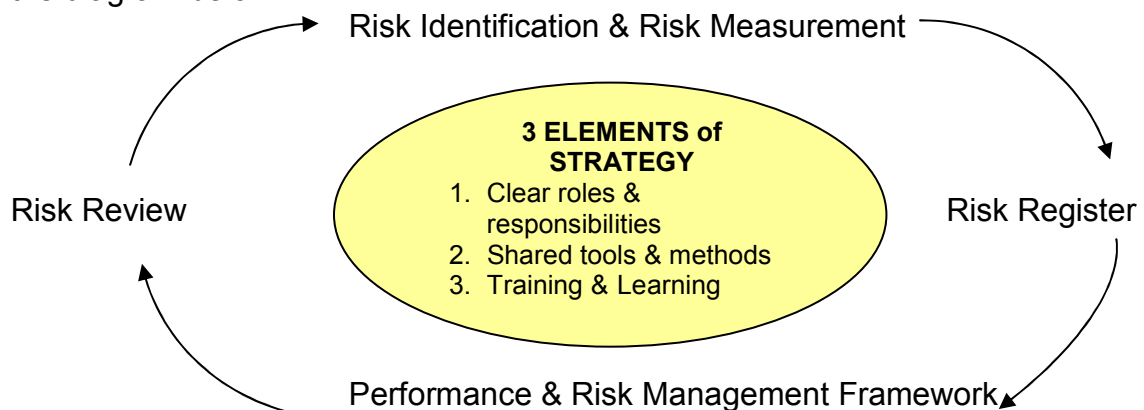
Building on previous work and understanding, this 2013 Risk Management Strategy will be to continue to:

- embed risk management into the culture of the council by integration into existing processes (such as business planning and project management) and frameworks (the council's Performance & Risk Management Framework is evidence) to enable management of uncertainty in a systematic, effective and efficient manner;
- recognise good practice and share the expertise of related risk disciplines, e.g. community safety/public health; financial planning including insurance; health and safety; and sustainability;⁶
- work with partners to share, improve and update our processes to either anticipate and/or respond to changing operating environments and requirements.

Brighton & Hove City Council believes risk needs to be managed rather than avoided and will be proactive to ensure it takes an acceptable level of risk depending on the particular application and specific objectives; the council's "risk appetite"⁷ for both the take up of opportunities and management of negative risks will be informed by the risk management process as set out in this strategy applied to various objectives and through the risk scoring mechanism in the dual risk matrix.

Elements of the Risk Management Strategy

These elements support delivery of the Risk Management process as set out in the diagram below:



⁶ The Council's Risk Management Steering Group, an informal group chaired by the Risk Manager, which meets twice a year (and on an ad-hoc basis as required) includes representation of these disciplines.

⁷ A risk appetite is defined in ISO3100 as the "amount and type of risk that an organisation is prepared to pursue, retain or take".

Some uncertainty will always exist and some potential negative impacts can never be eliminated; they therefore need to be appropriately managed. This Strategy sets out how the Council will:

- Establish clear roles, responsibilities within the council for Risk Management as part of the Council's decision making and operational management processes, e.g. Service/Business Planning, Commissioning, Project Management, Partnerships and Procurement processes (**Strategy Element 1**)
- Provide a shared methodology which can be used to ensure common standards and an understanding of risk management to provide an overview of risks to which the Council is exposed (**Strategy Element 2**)
- Reinforce the importance of effective management of risk through training and provision of opportunities for shared learning (**Strategy Element 3**)

Strategy Element 1 – Clear Roles & Responsibilities for Risk Management

The Risk Management Strategy 2013 sets out the roles and responsibilities for risk management in the Council and how each party is expected to deliver (see the table below) so that:

- √ everyone knows how they contribute within the Council wide framework to understand and manage risks at the level which applies to them so that the Council's exposure to the level of risk taking is within acceptable boundaries to enable achievement of benefits and protect people, assets and reputation;
- √ risks, both "downside" threats or "upside" opportunities, are appropriately managed at least in accordance with specified roles and responsibilities or, if beyond the individual's direct control, they are "escalated" to the management level above;
- √ the identification of risks is an ongoing task and aligned with business planning and performance management arrangements.

Those with a responsibility to manage risks (either a person or a group) are also known as "Risk Owners", they have authority to ensure that action in response to risk is appropriate.

Roles & Responsibilities for Risk Management	How
All Staff and Risk Owners delivering a particular service or business objective (including Corporate Management Team and Heads of Service)	
<ul style="list-style-type: none"> * Achievement of agreed objectives within legal and budgetary boundaries * Proactive risk & opportunity management in their day to day activities * Agree resource allocation within their allowed boundaries * Identify the need for escalation of risks through the reporting process 	<ul style="list-style-type: none"> * Through ownership of a business plan with a robust and integrated risk register * Through ownership of a project plan and associated risk register * Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities * Scheduled progress meetings, e.g. with manager or project board to report progress towards achievement of objectives & management of risks * Behave appropriately in role on behalf of the Council
Risk Owner for organisations delivering services for, or with, the Council e.g. contractor/supplier/partners	
<ul style="list-style-type: none"> * Comply with their own organisation's risk management arrangements * Achieve objectives agreed with the Council 	<ul style="list-style-type: none"> * Provide evidence of organisation's risk management arrangements * Scheduled progress meetings * Know who they need to be working with in ensuring safe and sustainable service delivery
The Leadership Team (SLT/ELT)	
<ul style="list-style-type: none"> * Manage the strategic risks faced by the Council, including in its partnership work * Responsible for reviewing and developing the strategic risk register at least six monthly and management action plans to address risk * Provide the leadership and support to promote a culture in which risks and opportunities are managed with confidence at the lowest appropriate level 	<ul style="list-style-type: none"> * Risk Owners to review, or delegate responsibility via the usual Performance & Risk Management Framework arrangements for the purposes of reporting to Councillors and the Audit & Standards Committee * Ensure that any significant approved new projects or changes have appropriate risk management arrangements * Ensure that reporting of the Strategic Risk Register clearly informs the public of reasons for any additions or deletions * Ensure lessons are learned across the Council
Members (Councillors)	
<ul style="list-style-type: none"> * Require the Risk & Opportunity Management paragraphs in reports submitted for decisions making to be completed and satisfy themselves on the information contained 	<ul style="list-style-type: none"> * Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities
Council Elected Member Leadership (Policy & Resources Committee)	
<ul style="list-style-type: none"> * Approve the Risk Management Strategy * Require the Risk & Opportunity Management paragraphs in reports submitted for decisions making to be completed and satisfy themselves on the information contained 	<ul style="list-style-type: none"> * Make use of the comprehensive risk management information on the Council's intranet and access training to assist them in fulfilment of their responsibilities
The Audit & Standards Committee	
<ul style="list-style-type: none"> * Ensure independent assurance of the adequacy of Risk Management and the associated control environment 	<ul style="list-style-type: none"> * At least annually receive the strategic risk register, and reports on risk management arrangements, Risk Management Programme and progress * Where it considers it appropriate, make recommendations to the relevant Council body; in most cases this would be the appropriate Committee * Engage in Risk Management to increase their knowledge and understanding and ensure lessons are learned across the Council and partners

Strategy Element 2 – Shared Tools & Methods for Risk Management

The risk management tools and methods have been updated to better reflect the current environment and challenges relating to council operations, and also to enable the better consideration of opportunities to assist the council to creatively develop a variety of policy and financial levers to unlock sustainable growth⁸; and work effectively with partners in creative ways including enabling residents who wish to develop alternative solutions to improve the city.

The Council's risk management methods includes a series of well defined steps to support better decision making through understand of risks, whether a positive opportunity or negative threat and their likely impact.

The "Dual Risk Matrix" set out in Step 2 is a further development of the previous risk matrix shared between the council, NHS and Civil Contingencies partners (which is retained, but only considered "downside" negative risks). The new Dual Risk Matrix uses the same methods as before to also assess positive opportunities. Both sides of risks/uncertainties can be consistently assessed and the management activities for each included in a Risk Register.

By continuing to develop a common understanding, and practice of risk management, the following benefits will be achieved to help deliver the Council's objectives:

- * the "risk appetite" for services delivered by or in connection with the Council is consistently understood (i.e. the level of risk that is acceptable) and escalation of risks to the management or decision-making level above is carried out in an ordered way;
- * risk registers are completed on significant and high risks to enable an overall picture of the level of uncertainty that the Council is carrying whether through direct service provision or in conjunction with other parties;
- * decision-makers may be assured that the strategic objectives of the council, including related objectives of its partner organisations, external parties or business partners, stand a good chance of being successful;
- * managers and staff are equipped to identify, record, escalate, monitor and regularly review the effectiveness of risk management arrangements.

There are 3 Steps of the Risk Management Process:

- Risk identification
- Risk measurement
- Risk registers

Once actions have been agreed and set out in the risk registers, they will direct business plan actions and service and individual performance via the council's Performance & Risk Management Framework arrangements.

⁸ Brighton & Hove City Council Strategic Risk Register – Updated 3 October 2012 – Strategic Risk 4 "Economic Resilience and Sustainable Economic Growth"

Step 1: Risk Identification

Related Tools available on the Intranet ("The Wave")

- a) Risk Category Checklist
- b) ROM Quick Analysis Tool
- c) Dual Risk Matrix (opportunities side)

Risk Management starts with being clear on the objective to be achieved and then identifying uncertainties which could affect achievement of that objective. The Risk Categories checklist below is used to prompt identification of generally negative risks or issues (*changes are denoted in italics*). For positive opportunities use this & Dual Risk Matrix "opportunities" side.

Risk Categories Checklist
Professional/Managerial/Partnerships – Recruitment/Retention of qualified staff; Capacity; Investing in Training; Skill mix of <i>employees and community or commercial groups where a statutory or civil responsibility may attach to the council</i> ; Over reliance on key officers; Ability to implement change; <i>Effective management of partnership working; Understanding of data quality and practice</i>
Economic/Financial – Impact of national economic position; Failure of major project(s); Missed business and service opportunities; Failure to prioritise, allocate appropriate budgets and monitor; Inefficient/ineffective processing of documents.
Social – Meeting the needs of disadvantaged communities; Tracking the changes in population base; Employment opportunities; <i>Health & Well-Being implications on community</i> ; Regeneration; Partnership working; Life-long learning; <i>recognising contribution to council's key social initiatives such as Stronger Families, Stronger Communities.</i>
Technological – Functionality and reliability of IT systems – impact on service delivery; Data security issues; Inability to implement change; Obsolescence of technology; Technology strategy; <i>Enabling of service and cost improvements; impact of individual service systems on corporate ability to prepare for IT disaster recovery and business continuity</i>
Legislative – Meeting statutory duties/deadlines; Breach of confidentiality/Data Protection Acts requirements; European Directives on Procurement of Services; Implementation of legislative change.
Physical – Human Resources issues; Loss of intangible assets (e.g. intellectual property); Health and Safety; Loss of physical assets (e.g. damage to property as a result of fire or theft).
Contractual/Competitive – Over reliance on key suppliers/contractors; Ineffective contract management; Contractor failure; Lack of existing markets.
Equalities – Workforce Composition – across all persons who provide a service on behalf of the council and its partnership work; Appropriate recognition of the diversity of Service Users/Customers, e.g. age, ethnicity, gender, disability, religion; Ensuring consistent minimum standards to meet legislative duties (incl. training, sharing policies & best practice); Altering working practices as necessary to meet diverse needs and ensure no discrimination; Ability to demonstrate equalities in action (incl. monitor, evaluate and review).
Political – Impact of Strategic Priorities on business activities; Clarity & cohesion in decision making; Impact of Central Government policy on local policy/local initiatives.
Environmental/Sustainability – Energy use (efficiency), energy costs, energy supply; Climate Change <i>Adaptation of Services (including extreme or sustained weather events)</i> ; Waste Management – correct disposal, hazardous waste; Waste reduction and recycling issues; Noise and street scene implications; Pollution control, air pollution, spillages; Water conservation; Transport implications.
Practice & Clinical Issues, including Clinical Governance – Practice issues; Patient Safety; Clinical Governance; Clinical Procedures; On-going professional development; Loss of key clinical staff.
Customer/Citizen – Appropriate consultation; Quality customer care; Access to services; Views of Service Users and/or viewpoint of patients; Political support, e.g. Members of city council.
Fraud & Corruption – Appropriate segregation of duties; Security of data and other assets; Hospitality/Gifts Policy, Record Keeping and Monitoring; Trends of working/sickness absences (potentially fraudulent); <i>Level of awareness of fraud risk exposure at service level; Whistleblowing;</i>

Verification/Validation checks e.g. before staff/contractor appointments/cash transactions;

Step 2: Risk Measurement

Related Tools available on the Intranet ("The Wave")

c) Dual Risk Matrix

d) Risk Descriptor Guidance (to help "score" Likelihood and Impact of each risk)

Risks are assessed on their impact and likelihood of occurrence. This involves allocation of a "Likelihood" and an "Impact" score to each one (use the "dual risk matrix"). All risks should be quantified by using a standard form of measurement. The use of a basic 5 by 5 calculation where exposure to risk is measured based on the multiplication of likelihood and most likely impact, i.e. if a risk has an Almost Certain likelihood rating and a Catastrophic/Fantastic score, it will receive a combined rating of 25. This is known as the "initial" risk score (sometimes called the "Inherent" risk score).

The council's Risk Appetite (the amount of risk/uncertainty that it is willing to accept) is determined by the colour coding on the next pages, unless specified differently by decision makers (e.g. a project board).

As this Strategy is Risk Management for "Managing Risk and Realising the Opportunity", the next pages are the "Dual Risk Matrix" which sets out a summary of positive opportunities and negative risks which may affect achievement of an objective.

Negative Risks may have the prefix of "R" (eg R1) and Opportunities may be prefixed with "O" (eg O3) but may appear on the same risk register.

The following page sets out advice, a risk matrix and actions to be taken based on risk score and colour coding for risks which have the potential to negatively affect achievement of objectives.

After that there is a separate page for advice, a risk matrix and actions to be taken based on risk score and colour coding for positive opportunities which contribute to objectives.

Risk & Opportunity Management – is about getting the right balance between innovation and change on the one hand – taking up Opportunities (“upside risks”) and on the other the **avoidance of shocks & crises (“downside risks”)**

<p>Identify your Risks (“downside” risks)</p>	<p>Decide & Order your risks (evaluate your risks)</p>	<p>Resolve how to Treat your risks</p>	<p>Monitor & Review</p>																																										
<p>Best done in groups – by those responsible for delivering the objectives</p> <p>Risk: it’s the chance of something happening that will have an impact on objectives</p> <p>Look to Identify risks when:</p> <ul style="list-style-type: none"> • Setting strategic aims • Setting business objectives • Early stages of project planning & key stages • Options appraisals • Making changes to business set up or service provision <p>Use the Risk Categories Checklist or ROM Quick Analysis Tool</p>	<p>You need to DECIDE the Likelihood of occurrence and the Impact on Objectives, i.e. LIKELIHOOD x IMPACT</p> <p>ORDER – use the colour scores & take action as below</p> <table border="1" data-bbox="593 422 1545 885"> <thead> <tr> <th></th> <th colspan="5">MOST LIKELY IMPACT</th> </tr> <tr> <th><i>LIKELIHOOD</i></th> <th>Insignificant (1)</th> <th>Minor (2)</th> <th>Moderate (3)</th> <th>Major (4)</th> <th>Catastrophic (5)</th> </tr> </thead> <tbody> <tr> <td>Almost Certain (5)</td> <td>5</td> <td>10</td> <td>15</td> <td>20</td> <td>25</td> </tr> <tr> <td>Likely (4)</td> <td>4</td> <td>8</td> <td>12</td> <td>16</td> <td>20</td> </tr> <tr> <td>Possible (3)</td> <td>3</td> <td>6</td> <td>9</td> <td>12</td> <td>15</td> </tr> <tr> <td>Unlikely (2)</td> <td>2</td> <td>4</td> <td>6</td> <td>8</td> <td>10</td> </tr> <tr> <td>Almost Impossible (1)</td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>5</td> </tr> </tbody> </table> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div data-bbox="571 917 772 1228" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>1 – 3 Low</p> <p>Monitor periodically</p> </div> <div data-bbox="817 917 985 1228" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>4 – 7 Moderate Monitor</p> <p>Monitor if the risk levels increase</p> </div> <div data-bbox="1019 917 1220 1228" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>8 – 14 Significant</p> <p>Review & ensure effective controls</p> </div> <div data-bbox="1254 917 1534 1228" style="border: 1px solid black; padding: 5px; text-align: center;"> <p>15 – 25 High</p> <p>Immediate action required & need to Escalate to the management level above</p> </div> </div>		MOST LIKELY IMPACT					<i>LIKELIHOOD</i>	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)	Almost Certain (5)	5	10	15	20	25	Likely (4)	4	8	12	16	20	Possible (3)	3	6	9	12	15	Unlikely (2)	2	4	6	8	10	Almost Impossible (1)	1	2	3	4	5	<p>Concentrate on the Top Scoring Risks</p> <ul style="list-style-type: none"> • Can we reduce likelihood? • Can we reduce the impact? • Can we change the consequences? <p>Remember to see if it can be:</p> <ul style="list-style-type: none"> • Avoided • Reduced • Retained • Transferred <p>Devise Contingencies i.e. Service Continuity Planning</p>	<p>Risk Registers:</p> <p>Baseline data to be prepared and monitored regularly.</p> <p>These should clearly indicate consequences, countermeasures and contingencies as well as the risk owner</p> <p>Review Top Risks regularly as an agenda item at group meetings</p> <p>Report progress to senior management</p>
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Risk & Opportunity Management – is about getting the right balance between innovation and change on the one hand – taking up Opportunities (“upside risks”) and the avoidance of shocks & crises on the other (“downside risks”)

Identify **O**pportunities
“upside risks”)

Decide & **O**rder your opportunities (evaluate them)

Resolve how to
Maximise
Opportunities

Monitor & Review

Opportunity Management: it’s the chance of taking action to have a **positive impact** on **objectives**

Use the usual risk management method.

Look for Opportunities When:

- Setting strategic aims & business objectives
- Project planning & at key project stages
- Making changes to business set up or service provision

ASK:

- * **Can we do it** – is it legal?
- * **Should we do it?**
- * **Can we deliver?**

You need to **DECIDE** the Likelihood of success and the Impact on Objectives, i.e. **LIKELIHOOD x IMPACT**

ORDER – use the colour scores & take action as below

	MOST LIKELY IMPACT				
LIKELIHOOD	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Fantastic (5)
Almost Certain (5)	5	10	15	20	25
Likely (4)	4	8	12	16	20
Possible (3)	3	6	9	12	15
Unlikely (2)	2	4	6	8	10
Almost Impossible (1)	1	2	3	4	5

1 – 3
Low (Small Win)

Manage by routine procedures, unlikely to need specific application of resources

4 – 7
Moderate Opportunity

Manage by specific monitoring and response

8 – 14
Significant Opportunity

Senior management attention need and management responsibility identified

15 – 25
High (Important) Opportunity

Immediate action required & need to Escalate to the management level above

Concentrate on the Opportunities that offer the best outcomes for the effort needed to deliver

- **Can we improve likelihood?**
- **Can we maximise the impact?**
- **Can we expand on the consequences to increase the benefits?**

Remember to:
Plan for the resources required to deliver the benefits and add actions and measures to the existing business plan

Opportunity

Assessments should clearly indicate what the possible benefits could be and the plans/resources required to attain them, as well as an owner.

Review the progress of attainment of both the opportunity and benefits regularly as an agenda item at group meetings.

Review Top Risks regularly as an agenda item at group meetings

As appropriate report progress to senior management

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Step 3: Risk Registers

Related Tools

e) Risk Register available on the Intranet ("The Wave")

How successful we are in dealing with the risks we face can have a major impact on the achievement of our objectives and service delivery to the community.

The Risk Registers set out the existing controls that relate to the risk as most are already subject to some degree of management, which enables a more realistic or "real" prioritisation of the issues by assignment of a residual risk score. This enables direction of resource and effort to mitigate or manage the risk and actions, responsibilities and target dates are set out in the Risk Register (see format of Risk Register on next page).

Further work to manage risks is recorded as a "solution" to further improve the risk, with responsibilities and target dates. This forms an action to be performance managed.

Actions to address risks are to be detailed in a Risk Register which sets out the existing measures or "controls" already in place to address the issue (the "risk") this results in a more realistic prioritisation of risk and a "Controlled Risk Score" (this can also be known as a Residual Risk Score).

Through this re-assessment of priority scores (using the "Residual" or "Controlled" Risk Score) further work or "solutions" can be planned to address the risk until it reaches an acceptable level (i.e. within the risk appetite set).

This is one of the key benefits of Risk Management, i.e. to prioritise, assess the existing deployment of resources, whether it is effective and to influence future deployment of resource (e.g. money and effort).

As not all risks are priorities, and risks will always exist, having identified and measured risks one of the following proportionate actions (the Risk Strategy for the particular issues) can be selected:

- Treat the risk – agree an action to manage the risk to an acceptable level
- Transfer the risk – possibly by purchasing additional insurance or bonds; or by terms in a contract or agreement
- Terminate the risk – stop the current system or process and introduce a new system
- Tolerate the risk – if nothing reasonable can be done to control the risk because it may be out of the service or the Council's sphere of influence

Actions from Risk Registers, with details of key dates and individual responsibility for action should be integrated into service plans and project plans. Appropriate review is needed to keep the risk register current. Each risk owner will need to have a securely retained copy of the register and a clear history of changes made as risk registers may be requested at any time by decision makers, project boards, the Risk Manager, Internal or External Auditors or any interested parties in the interest of openness & accountability.

Risk Register Format

Risk No.	Reference link (i.e. Service Objective No. or Strategic Risk)	Risk Description	Potential Consequence(s)	Initial Likelihood (L) Risk Score	Initial Impact (I) Risk Score	Mitigating Controls & Actions (Responsible Officers in Brackets)	Controlled Likelihood (L) Risk Score	Controlled Impact (I) Risk Score	Controlled Risk Score (L x I)	Further "Solutions", i.e. actions/ Controls (Responsible Officers in Brackets) (these represent "work that needs to be done" to be included as Key Actions in Business Plan)	Target Date	Lead Officer
Assign a unique number	Detail the particular service objective no. or Strategic Risk, if relevant	Summarise what it is that you think could prevent achievement of your objective	Summarise what could happen and detail the impact on outcomes	Use the Risk Matrix	Use the Risk Matrix	List existing processes/Mitigations/ Controls that are in place to manage the risk	Use the Risk Matrix	Use the Risk Matrix	Multiply L x I and Check Risk Matrix.	List further actions that you have planned or realise that you need to take AND add these as Key Actions in your Business Plan (Assign a Responsible Officer for each action)	Completion date for this action	Insert Name

Strategy Element 3 – Training & Learning

The Council's Risk Manager is charged with providing active support and training by:

Providing advice on risk and opportunity management to assist those with responsibility for Risk Management through the Learning & Development training programme and individual's use of the extensive intranet (Wave) pages and the ROM e-learning programme;

Working with colleagues to identify and raise with decision makers where there is a need for the organisation to commission specialist training to improve risk management if cannot be met with internal resources;

Supporting our community with opportunities to learn from our approaches to ROM - e.g. elearning;

Facilitating risk identification, assessment and mitigation through facilitated risk workshops or topic sessions which offer groups and/or individuals an opportunity to learn about risk management and apply it to a real situation which needs attention;

Providing a consistent approach to risk management for application, including a common understanding of terminology and definitions;

Challenging and developing organisational and individual performance– across the four Performance Domains of accountability, delivery, working together, personal impact;

Working with procurement colleagues and those who commission services and contracts for goods to ensure risk and opportunity management principles are applied to help others to understand what risk is and reinforcing the opportunities that risk management can present.

For details or for advice, search on the Council's intranet ("the Wave") under "risk & opportunity" or contact jackie.algar@brighton-hove.gov.uk.

Subject:	Senior Officer Structure		
Date of Meeting:	14th February 2013		
Report of:	Chief Executive		
Contact Officer:	Name:	Abraham Ghebre-Ghiorghis	Tel: 29-1500
		Sue Moorman	29- 3629
	Email:	abraham.ghebre-ghiorghis@brighton-hove.gov.uk	
		sue.moorman@brighton-hove.gov.uk	
Ward(s) affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 In September 2012 the Policy and Resources Committee approved a transitional senior officer structure and related changes to the Scheme of Delegations to Officers.
- 1.2 This report sets out the proposals of the Chief Executive for the permanent arrangements for the senior officer structure and seeks approval to proposed changes to the scheme of delegations to officers to reflect the new structure.

2. RECOMMENDATIONS:

It is recommended that the Committee:

- 2.1 Notes the proposals to move to a permanent senior officer structure which builds on the progress achieved since September 2012 and ensures managerial leadership capacity and clear accountabilities;
- 2.2 Agrees the proposed changes set out in this report and the changes to the Scheme of Delegations to Officers set out in Appendix Two to this report;
- 2.3 Authorises the Chief Executive to take all steps necessary or incidental to the implementation of the proposals set out in this report, including the power to make transitional arrangements and any minor modifications she considers necessary;
- 2.4 Authorises the Monitoring Officer to make amendments to the relevant parts of the Council's constitution to reflect the changes authorised in this report and to make any necessary consequential amendments;
- 2.5 Agrees that the changes come into force on 1st April 2013

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The transitional structure approved by Policy & Resources Committee in September 2012 was designed to ensure that Council business was managed effectively in the period following the departure of the Council's former Chief Executive and three Strategic Directors. This has been achieved and has provided a valuable starting point from which to build the permanent arrangements. The intention was to review these transitional arrangements upon the appointment of the Council's new Chief Executive and to agree a permanent senior officer structure at that time.
- 3.2 Following extensive consultation and taking into account the needs of the organisation, as well as the challenges over the coming years, the following principles have been used to underpin the proposals in this report:
- The officer structure should support the ambitious programme of delivery that the Council has set and not be a focus or distraction in its own right;
 - To build on progress so far and learn from what works;
 - To sustain commissioning as a discipline and move away from it as an organising principle;
 - To introduce four leadership domains (accountability; delivery; working together and personal impact) which require accountabilities to be clear from the Chief Executive down.

Summary of proposals

- 3.3 The Strategic Leadership Team (SLT) will become the Executive Leadership Team (ELT), as the senior officer team that is shaping and driving responses to Council policy, both internally and externally. It will be accountable for delivery and the performance of the Council. The ELT will be lead by the Chief Executive and will include five Executive Directors with the Head of Law/Monitoring Officer and the Assistant Chief Executive attending.
- 3.4 The Strategic Director – People will be deleted from the structure. In its place is proposed a permanent Executive Director of Children's Services (DCS) and a permanent Executive Director of Adult Social Services (DASS). This makes permanent the interim structure currently in place. The Lead Commissioner /DASS post will be deleted.
- 3.5 The Director of Public Health will formally transfer to the Council on 1st April 2013 and take on responsibility for delivery of the Council's new public health functions. The Community Safety function will report to this post on a permanent basis. This will provide opportunities to build on the collaborative working in this area and consider how to further develop and integrate to strengthen this.
- 3.6 The Strategic Director of Place will be replaced by an Executive Director of Environment, Development & Housing, with no change to direct reports other than Property and Design. This post will therefore be responsible for functions currently comprised in the delegations to the Strategic Director, including

environment, transport, parks and open spaces, waste, housing, major projects and sustainability.

- 3.6 The posts of Strategic Director, Resources and Strategic Director, Communities have already been deleted from the structure. The Director of Finance post will also be deleted. There will be a new post of Executive Director of Finance & Resources. This post will be the Council's Chief Finance Officer under s151 of the Local Government Act 1972.
- 3.7 The following functions will transfer to the direct report of the Executive Director Finance & Resources:-
- Financial Services
 - City Services
 - ICT Services
 - Human Resources & Organisational Development
 - Property & Design
 - Programme Management Office
- 3.8 A new post of Assistant Chief Executive will be created to report directly to the Chief Executive. The Assistant Chief Executive will work directly to the Chief Executive in order to ensure that the key areas of policy, community engagement, communications and marketing are integrated and effectively deployed at the highest level to shape, promote and communicate the council's ambitions. The role will also lead on the development of the Council's cultural services, in recognition of the critical importance of culture and heritage to the city's identity and its success as a brand and destination for national and international visitors.
- 3.9 The recruitment of the Assistant Chief Executive post will be open to full recruitment as an internal vacancy. The funding for the post will be met from the service realignment that follows the appointment. These changes are anticipated to meet the remaining 2012/2013 senior management and administration targets in full.
- 3.10 The Head of Law and Monitoring Officer for the Council will continue to report directly to the Chief Executive. This is similar to the structure put in place in September by the Acting Chief Executive.
- 3.11 The proposed structure is outlined in Appendix One to this report.
- 3.12 The proposed changes require amendments to the Scheme of Delegations to Officers. Under the Council's constitution, this is reserved to the Policy & Resources Committee. The proposed amendments necessary to implement the changes with the general principles are set out in Appendix 2 to this report.
- 3.13 One of the features of the previous structure and scheme of delegations involved Heads of Delivery Units being given direct delegated powers concurrently with the Strategic Director. With the move away from using commissioning as an organising principle and the need to have clear lines of accountability, it is proposed to remove this and adopt a simpler and more accountable arrangement whereby delegated powers are given to the Chief Officer/Executive Director for the relevant service area.

3.14 It is proposed that the new arrangements will come into force on 1st April 2013.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

4.1 The changes have been subject to consultation with affected staff and a meeting with the recognised trades unions and the feedback received has been incorporated into these proposals. The feedback has been positive and supportive of the changes proposed with a recognition of the rationale and the approach, which is to focus on capacity to deliver rather than structure itself to the detriment of delivery against priorities.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The proposed structure will generate further savings for 2013/14 and will meet the balance of the remaining management and administration value for money savings in full. The cost of this structure is estimated to be approximately £300,000 less than the full year cost of the previous permanent structure. The changes in the proposed scheme of delegation will be reflected in revised financial regulations. Together with savings from other permanent changes introduced by the Acting Chief Executive and approved by the Council, this will enable the full year additional Management & Admin VFM target of £450,000 to be met.

Finance Officer Consulted: Anne Silley

Date: 23/01/13

Legal Implications:

5.2 The proposed changes require amendments to the scheme of delegations to officers. Under the Council's constitution, this is delegated to the Policy & Resources Committee. Subject to the agreement of P&R, detailed amendments need to be made to the council's constitution to reflect the principles set out in this report.

5.3 In accordance with employment law and the Council's change management policies, there is a requirement to consult the staff affected before any changes are implemented. This has been carried out and any responses taken into account.

5.4 The proposals in this report comply with legal requirements. There are no adverse Human Rights Implications arising from the report

Lawyer Consulted: Elizabeth Culbert

Date: 09.01.13

Equalities Implications:

5.5 The proposals affect a small number of staff and a high level equalities impact assessment has been undertaken to ensure that no group with protected characteristics has been disproportionately affected. Because of the small numbers of individuals involved a breakdown of the staff profile is not included in

this report as it is likely to lead to particular individuals being identifiable. There are no compulsory redundancies as a result of these changes. There is no impact on service delivery to the public.

- 5.6 The proposals make changes to the reporting lines for the Communities & Equalities team, who will report to the Assistant Chief Executive. This will ensure that there is a strong focus on community engagement and the Council's commitments to equalities as set out in detail in the Council's Corporate Plan.

Sustainability Implications:

- 5.7 These proposals maintain the arrangements that were put in place in September 2012 for the sustainability team to work within the area of the Executive Director Environment, Development and Housing rather than within the Policy Team. This is in order to enable the work of the team to be integrated into key projects, particularly in respect of the city's built environment and infrastructure.

Crime & Disorder Implications:

- 5.8 The proposals make permanent the arrangements for Community Safety work to be lead by the Director of Public Health and for the delivery of community safety functions. This will assist in co-ordinating the Council's approach to Community Safety with the wider public health agenda.

Risk and Opportunity Management Implications:

- 5.9 The proposals are designed to ensure clear accountability and line management arrangements and therefore ensure effective risk management

Public Health Implications:

- 5.10 The proposals are designed to ensure that public health is a core part of the Council's business and well connected into other council services.

Corporate / Citywide Implications:

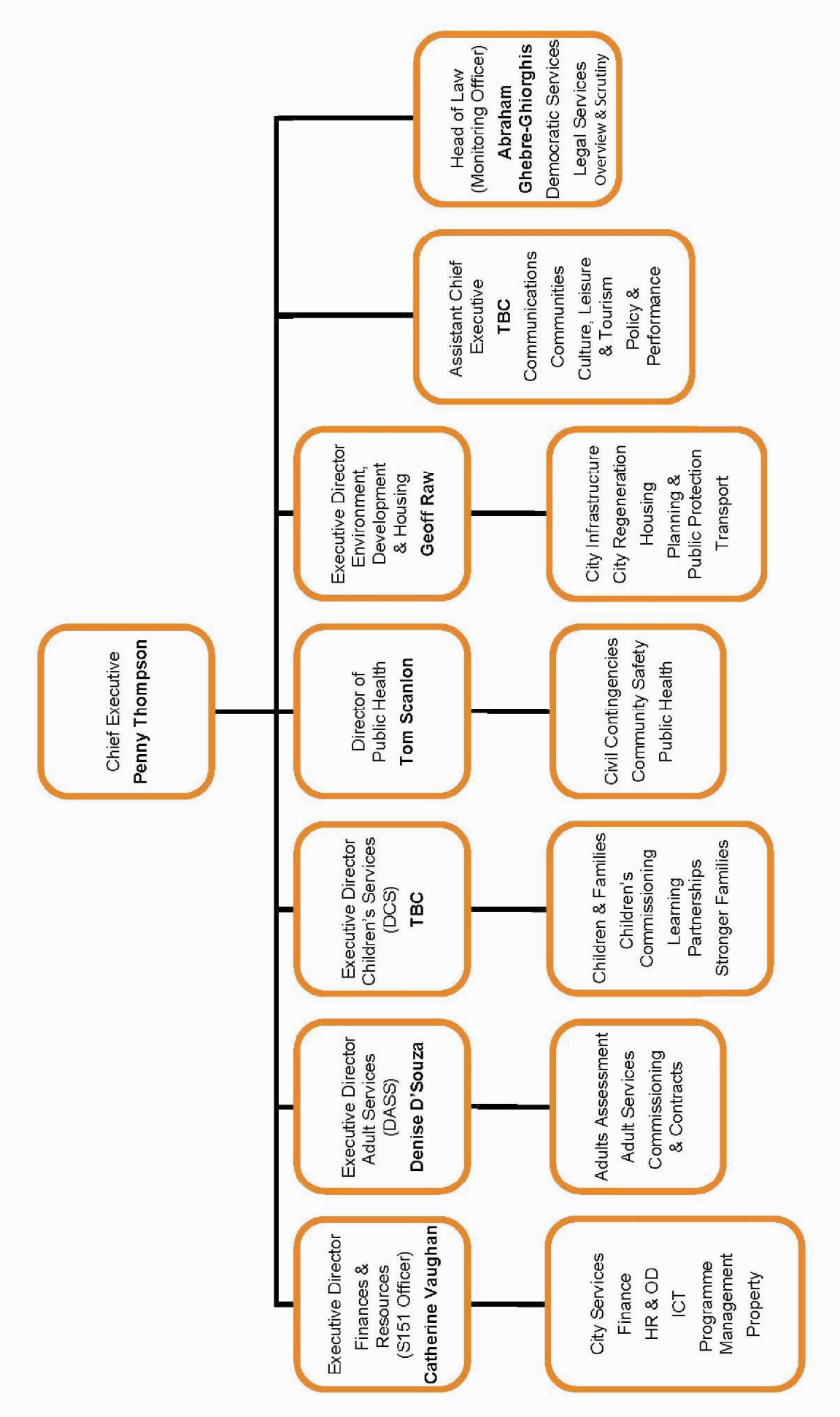
- 5.11 The proposals are designed to ensure that the council is able to prioritise the delivery of its Corporate Plan.

SUPPORTING DOCUMENTATION

Appendices

1. Proposed structure
2. Proposed general principles and changes to the Scheme of Delegations to Officers

Proposed structure chart



PROPOSED CHANGES TO THE SCHEME OF DELEGATIONS TO OFFICERS

General Principles:-

1. Each Executive Director will have full delegated powers to exercise the functions described under the proposed arrangements below. The exercise of a function by an Executive Director shall be in accordance with any instructions issued by the Chief Executive.
2. With the exception of the two posts referred to below, Heads of Service will report to an Executive Director. In order to streamline the delegations and ensure clarity of accountability, Heads of Service will not have concurrent delegations with the relevant Executive Director.
3. A new post of Assistant Chief Executive and the Council’s Monitoring Officer will report directly to the Chief Executive and have delegated powers relating to their area of service.
4. Any references to Chief Officers and to the Strategic Leadership Team in the Scheme of Delegations, Financial Standing Orders, Employment Procedure Rules and other parts of the constitution shall be modified to reflect the principles in the covering report, including the establishment of the Executive Leadership Team.
5. Commissioning will be sustained as a discipline rather than an organising principle.
6. All other delegations not affected by these changes will continue in force.

Proposed changes to Scheme of Delegations:-

Function	Current Delegations	Proposed Delegations
1. Legal and Democratic Services, Scrutiny, Monitoring Officer	Interim Lead Chief Executive’s Service	Head of Legal and Democratic Services/Monitoring Officer
2. Policy, Analysis and Performance, Communities, Communications	Interim Lead Chief Executive’s Service	Assistant Chief Executive
3. Tourism, Arts and Creative Industries, Management of Establishments, Venues, Archives, Seafront, Events, Leisure	Interim Lead Cultural Services	Assistant Chief Executive
4. Programme Management Office	Interim Lead Chief Executive’s Service	Executive Director Finance and Resources

Function	Current Delegations	Proposed Delegations
5. Strategic Finance, Financial Services, Audit and Business Risk, s151 Officer, Procurement, City Services, ICT	Director of Finance	Executive Director Finance and Resources
6. Statutory Director Children's Services, Education, Children and Young People's Social Services, S75 arrangements (children), Adult Learning	Strategic Director People	Executive Director Children's Services (DCS)
7. Adult Social Care and Health	Strategic Director People	Executive Director Adult Social Services (DASS)
8. Statutory Director Adult Social Services, Supported Employment, S75 arrangements (adults)	Lead Commissioner Adult Social Care and Health	Executive Director Adult Social Services
9. Human Resources and Organisational Development	Lead Commissioner Adult Social Care and Health	Executive Director Finance and Resources
10. City Infrastructure, City Regeneration, Housing, Planning & Public Protection, Transport, Community Safety (Delivery)	Strategic Director Place	Executive Director Environment, Development and Housing
11. Property Services	Strategic Director Place	Executive Director Finance and Resources
12. Public Health	New Council function pursuant to Health and Social Care Act 2012	Director of Public Health
13. Emergency Planning, Community Safety	Director Public Health	Director Public Health

Document is Restricted

