

Public Document Pack

Tony Kershaw
Director of Law and Assurance

If calling please ask for:

Lisa Sampson on 033 022 28193
Email: lisa.sampson@westsussex.gov.uk

www.westsussex.gov.uk

County Hall
Chichester
West Sussex
PO19 1RQ
Switchboard
Tel no (01243) 777100



4 July 2019

Performance and Finance Select Committee

A meeting of the committee will be held at **10.30 am** on **Friday, 12 July 2019** at **County Hall, Chichester**.

Tony Kershaw
Director of Law and Assurance

The meeting will be available to view live via the Internet at this address:

<http://www.westsussex.public-i.tv/core/portal/home>

Agenda

- 10.30 am 1. **Declarations of Interest**
- Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.
- 10.35 am 2. **Minutes of the last meeting of the Committee** (Pages 5 - 16)
- The Committee is asked to agree the minutes of the meeting held on 22 May 2019 (cream paper).
- 10.40 am 3. **Urgent Matters**
- Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances, including cases where the Committee needs to be informed of budgetary or performance issues affecting matters within its terms of reference, which have emerged since the publication of the agenda.
- 10.40 am 4. **Response to Recommendations** (Pages 17 - 18)
- Members to receive a response from the Cabinet Member for Finance and Resources regarding the Committee's

recommendations made at the 22 May 2019 meeting in relation to Property development arrangements – procurement of a property development enterprise to work in partnership with the County Council.

The Committee is asked to note the response.

- 10.45 am 5. **Our People Strategy - Progress 2018/19 and Priorities for Overview 2019/20** (Pages 19 - 44)

A report by the Director of Human Resources and Organisational Change.

The Committee will be asked to review the data, commentary and KPIs for 2018/19, comment on the priorities for 2019/20, and make any relevant recommendations for action to the Cabinet Member for Corporate Relations.

- 11.45 am 6. **Treasury Management Annual Report 2018/19** (Pages 45 - 68)

A report by the Director of Finance and Support Services.

The Committee is asked to review and comment on the Treasury Management Annual Report 2018/19.

- 12.15 pm 7. **Business Planning Group Report** (Pages 69 - 76)

The report informs the Committee of the Business Planning Group meeting held on 17 June 2019, setting out the key issues discussed.

The Committee is asked to endorse the contents of this report, support the updates to the work programme as recommended by the Business Planning Group and reflected in Appendix A, and note the latest Task and Finish Group Rolling Programme attached as Appendix B and make comments accordingly.

- 12.30 pm 8. **Requests for Call-in**

There have been no requests for call-in to the Select Committee and within its constitutional remit since the date of the last meeting. The Director of Law and Assurance will report any requests since the publication of the agenda papers.

- 12.30 pm 9. **Forward Plan of Key Decisions** (Pages 77 - 108)

Copy of the Forward Plan dated 1 July 2019.

An extract from any Forward Plan published between the date of despatch of the agenda and the date of the meeting will be tabled at the meeting.

The Committee is asked to consider whether it wishes to

enquire into any of the forthcoming decisions within its portfolio.

12.35 pm 10. **Possible Items for Future Scrutiny**

Members to raise any items which they believe to be of relevance to the business of the Select Committee and suitable for scrutiny, e.g. raised with them by constituents, arising from central government initiatives etc.

If any member puts forward such an item the Committee's role at this meeting is to assess, briefly, whether to refer the matter to its Business Planning Group (BPG) to consider in detail.

12.40 pm 11. **Date of Next Meeting**

The next meeting of the Committee will be held on 3 October 2019 at 10.30 am at County Hall, Chichester. Probable agenda items include:

- Total Performance Monitor report – Quarter 1
- Capital Programme Performance Monitor – Quarter 1
- Horsham Enterprise Park (former Novartis site)
- PropCo Joint Venture
- Strategic Budget Decisions.

Any member wishing to place an item on the agenda for the meeting must notify the Director of Law and Assurance by 23 September 2019.

To all members of the Performance and Finance Select Committee

Webcasting

Please note: this meeting may be filmed for live or subsequent broadcast via the County Council's website on the internet - at the start of the meeting the Chairman will confirm if all or part of the meeting is to be filmed. The images and sound recording may be used for training purposes by the Council.

Generally the public gallery is not filmed. However, by entering the meeting room and using the public seating area you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

This page is intentionally left blank

Performance and Finance Select Committee

22 May 2019 – At a meeting of the Performance and Finance Select Committee held at 10.30 am at County Hall, Chichester.

Present: Mr Montyn (Chairman)

Mr Catchpole	Mr Lea	Mr Jones
Mr Barrett-Miles	Mrs Sparkes	Ms Lord, left at 1.08pm
Mr Crow	Mr Turner	Ms Goldsmith, left at 2.40pm
Mr Fitzjohn	Mr Waight	Mr Hunt, left at 2.40pm
Mrs Kitchen	Dr Walsh	Mr Lanzer, left at 2.45pm

Apologies were received from Mr Cloake, Mr Edwards and Mr Smytherman.

Part I

1. Declarations of Interest

1.1 Mrs Sparkes declared a personal interest as a Member and Cabinet Member for Finance and Resources at Worthing Borough Council.

1.2 Mr Waight declared a personal interest in relation to PropCo Joint Venture as a buy to let property owner.

1.3 Dr Walsh declared a personal interest in relation to PropCo Joint Venture as Leader in nomination of Arun District Council.

1.4 Mr Lea declared a personal interest in relation to PropCo Joint Venture as a Member of Mid Sussex District Council.

2. Minutes of the last meeting of the Committee

2.1 Resolved – That the Minutes of the Performance and Finance Select Committee held on 20 March 2019 be approved as a correct record and that they be signed by the Chairman.

3. Responses to Recommendations

3.1 The Committee received a response from the Cabinet Member for Finance and Resources regarding the Budget Process Timeline.

3.2 The Committee received a response from the Chairman of the Children and Young People's Services Select Committee (CYPSSC) regarding the Committee's requests for updates concerning school transport, provision and cost of residential placements, and supporting schools to keep pupils within mainstream environments. The Chairman noted that no timeline was given regarding residential placements and will raise this with the Chairman of CYPSSC.

3.3 Resolved – That the Committee notes the responses from the Cabinet Member for Finance and Resources and the Chairman of the Children and Young People’s Services Select Committee.

4. Business Planning Group Appointments

4.1 The Committee expressed its thanks to Mrs Dennis for her contribution to scrutiny whilst appointed to the Performance and Finance Select Committee.

4.2 Resolved:

- 1) That the Committee appoints Mr Montyn, Mr Catchpole, Mr Crow, and Dr Walsh to the Business Planning Group for the period of one year; and
- 2) That the Committee agrees, following the appointment of Mr Jones to the vacant seat on this Committee at Council on 7 June, that Mr Jones be appointed to the Business Planning Group to fill the remaining vacancy.

5. PropCo Joint Venture

5.1 The Committee considered the property development arrangements report from the Executive Director of Place Services (copy appended to the signed minutes). The Chairman welcomed Emma Davies, Director of Engineering, Design and Project Management (UK & Europe) at Faithful + Gould, who attended for this item.

5.2 The Cabinet Member for Finance and Resources introduced the report and highlighted key information for the Committee. The Council does not have the appetite for the risk involved in developing surplus land as the sole developer and therefore wishes to seek a development partner with expertise to assist; a Joint Venture (JV) arrangement would reduce the potential benefits of development by half but would also halve the potential risk to the Council. The PropCo Panel have considered the options and recommended entering into a JV partnership. The detail involved in this is to be explored over the coming 12-15 months as the Council need to maximise the potential return from surplus land, and the Cabinet Member will consider all points raised by this Committee.

5.3 The Executive Director of Place Services introduced the report and highlighted that there were three options available to the Council – to sell the land, develop it as the sole developer, or to enter into a JV and develop alongside a partner which is the preferred option. The Council wishes to avoid the risk of developers acquiring the land but not developing it due to uncertainty in the property market. A JV partnership option provides an acceptable level of risk and greater rewards than selling un-developed land, and developing surplus land sites over a long period of 15-20 years would help to smooth out the fluctuation of land prices. Initial set-up costs have been benchmarked against other local authorities who have entered into JV partnerships and the requirement is £700k.

5.4 The Committee made comments in relation to the property development arrangements report including those that follow. It:

- Noted the budget pressures being faced by the Council and acknowledged the need to fully explore income opportunities where possible in order to support services. Political and financial risks must be acknowledged in the use of reserves to maximise income and a more cautious approach taken compared to private investors, however development should proceed and residents wish to see vacant sites developed and used rather than sitting idle.
- Queried how much it is currently costing to maintain and provide security for the surplus land the Council is holding. The Executive Director of Place Services will provide an estimate of this cost to the Committee.
- Commented that the current PropCo programme arrangements work too slowly, and the Committee hope a JV arrangement would bring sites to development more quickly. Recognised that the current arrangements are not adequate and support changes to the process in order to benefit from new income sources. *The Leader acknowledged Member frustration with the slow speed of the PropCo programme, and this highlights the need to proceed with the JV which would support development at a faster pace.*
- Encouraged further scrutiny of the surplus sites to be included in the JV package and reiterated the need for local Members to be kept informed of developments in their local areas. *The Leader assured the Committee that the local Member for a development would be included and engaged.*
- Requested that progress of the JV partnership be scrutinised after 12 months operation, and before any sites are included for the second tranche of development.
- Acknowledged the need for up-front investment in the JV partnership but queried when the returns from the development could expect to be realised as funds are needed to support service provision now. There appeared to be a long gap between spending and returns. *The Cabinet Member for Finance and Resources explained that the expected returns from the partnership are to assist with the Council's anticipated needs in future years rather than current budget needs.*
- Expressed concerns regarding the longer-term financing of the JV, the leveraging of Council land to fund the project, and the possibility of the Council needing to provide extra funding if the land isn't of sufficiently high value. *The Executive Director of Place Services explained a 50/50 JV partnership is essential as it prevents either partner locking out the other. The Council bring into the JV its surplus land, which would be valued via an agreed method during set-up of the JV, and the partner brings development knowledge. Therefore, if the land brought did not equal 50% of the cost the Council would have to top-up to 50% of the costs. Proceeding would be subject to an assessment of site viability and if this was not favourable then the site may either be held for future development, kept out of the JV or sold for a return. Ms Davies commented that developments won't proceed where there is not a return as it is an equal risk for both parties.*

- Commented that the potential to lend to the developer as a third party was a very high-risk strategy with public money and should be avoided.
- Stated that strong governance arrangements are key to the operation and success of the JV partnership and requested that the Committee review this at the appropriate time.
- Expressed concern that a 'competitive dialogue' procurement process is not used in selecting a JV partner. *The Cabinet Member for Finance and Resources shared the Committee's concerns.*
- Queried what would happen if the JV partner went into administration and whether the Council would have to finance the programme in entirety. *Ms Davies explained that up-front due diligence is important, and that the contract and supporting documentation will cover the eventuality of administration of the development partner. This may include the right for the Council to step into the contract with the sub-contractor which would save the Council money.*
- Recognised that the decision presented needs to be agreed but felt further scrutiny is required before officers take the delegated decisions included within the report (recommendations 2 and 3). *The Cabinet Member for Finance and Resources explained that there is a need to proceed with the decision in order to explore the JV option and address the Committee's concerns, and that if the decision is taken it will be done so in full cognisance of the Committee's feedback.*
- Requested a further report is brought before the Committee when details of the partnership have been further developed, prior to tender documents being drawn up, and before the further Cabinet Member decision on entering into the JV partnership. The report should address the principles of the partnership, governance arrangements and cost/benefit analysis.
- Requested that the Committee's Business Planning Group (BPG) be engaged in how the questions raised by the committee are answered and taken forwards.
- Highlighted the need to include the provision of affordable housing within the JV developments. This needs to be affordable to local people on an average wage, in addition to social housing. The Council should work with District and Borough Councils to achieve this. *The Executive Director of Place Services explained that affordable or social housing must be looked at via the local plan and in line with policy, and is therefore a dialogue with local councils. The JV partnership would not be the appropriate vehicle for creating affordable or social housing as it would not maximise the income possible for the sites, however it could be considered on other surplus Council land not included in the JV.*
- Expressed concern that there is no over-arching strategy for the Council to manage its land portfolio and recommended that a strategy is developed on how surplus Council land is dealt with and how the Council can include building affordable/social housing within this.

5.5 Resolved:

- 1) That the Committee recognise the slow progress of developments and that options for maximising returns from assets need to be explored;
- 2) That the Committee request a further report is brought before the Committee when details of the JV partnership have been further developed. This report should address the principles of the partnership, sites to be included, governance arrangements and cost/benefit analysis. This should be before any further decisions are taken and tender documents drawn up;
- 3) That the Committee recommend that the local Members are consulted on sites to be included in the JV arrangement;
- 4) That the Committee recognise governance arrangements for the JV partnership are key to its operation and success, and request that the Committee review this at an appropriate time;
- 5) That the Committee request that a strategy is developed on how the Council deal with surplus land and how affordable and social housing can be built into this;
- 6) That the Committee raised a number of concerns which the Cabinet Member for Finance and Resources be asked to take into consideration ahead of taking the decision;
- 7) That the Committee BPG be engaged in how the questions raised by the Committee are answered or taken forwards; and
- 8) That the Committee recognise the decision recommendation no 1. in the report is to go ahead, however recommend that further scrutiny should take place before further decisions by officers (recommendations 2. and 3.) are taken forwards.

6. Budget Timetable 2020/21

6.1 The Committee considered the 2020/21 Budget Timetable report from the Director of Finance and Support Services (copy appended to the signed minutes).

6.2 The Director of Finance and Support Services introduced the report and explained that the timetable aims to address Member issues with the previous year's budget setting. Uncertainty remains regarding the timetable for government's announcement of funding for the Council.

6.3 The Committee made comments in relation to the budget timetable report including those that follow. It:

- Welcomed the proposed timetable and earlier Member insight and input to the budget.
- Commented that the government's late announcement of the Council's settlement figure is not helpful in budget setting and queried whether pressure can be exerted through the Local Government Association (LGA) for an earlier announcement. *The Leader commented that she met with MPs recently and highlighted*

outstanding issues including the fair funding review, adult social care green paper, social care precept, and business rates. The late funding announcement was stressed with MPs but is still expected to be late this year.

- Commented that during the budget process it must be made clear to Members, service users and officers when decisions that feed in to the 2020/21 budget are being taken and when they become effective. *The Leader commented that most of the decisions taken over the next 6-9 months will be working towards the 2020/21 budget.*
- Highlighted the forthcoming Budget Member Day and encouraged all Members to attend to engage with the budget process. Members stated that when considering plans for the Member Day officers need to clearly stress the financial challenges being faced, and must clarify the decision-making process regarding savings and how it fits with the approval of the budget in February. Members asked that this day also provide some view to future year's budgets. *The Cabinet Member for Finance and Resources confirmed the session plans to over the next two financial years.*
- Suggested a newsletter be considered to keep Members informed of the budget progress. *The Director of Finance and Support Services will consider the newsletter suggestion and ensure Members are updated once the settlement information is received.*
- Commented that a light touch review of the budget process be undertaken after the budget is set to gauge whether the amended timeline was successful.

6.4 Resolved:

- 1) That the Committee supports the timeline presented and recognise issues with the lateness of national announcements in regarding finance;
- 2) That the Committee requests clarity for all members on the decision-making process around savings be provided, including how this fits with approval of the budget in February;
- 3) That the Committee recommends the Member Day in June very clearly sets out the financial challenges the Council faces;
- 4) That the Committee requests regular information is provided to all members as the budget process is progressed to ensure informed engagement; and
- 5) That the Committee reviews the process after setting the budget in February 2020.

7. Total Performance Monitor as at end of March 2019 and Outturn 2018/19

7.1 The Committee considered the Total Performance Monitor (TPM) as at end of March 2019 and Outturn 2018/19 report from the Director of Finance and Support Services (copy appended to the signed minutes).

7.2 The Director of Finance and Support Services introduced the finance element of the TPM report, highlighting that the overspend has been mitigated by non-portfolio and contingency funds to come to a balanced budget position. This was aided by additional funding in the last settlement announcement regarding business rates plus funds from the improved Better Care Fund. Significant budget pressure is anticipated in the coming year due to the investment required in children's services.

7.3 The Committee made comments in relation to the finance element of the TPM including those that follow. It:

- Noted in relation to the section 151 officer's report that budget margins have become tighter and reiterated the need to make this known to the government. *The Cabinet Member for Finance and Resources confirmed this is regularly raised with central government, Ministers, the County Council Network and the LGA.*
- Recognised that the Better care Fund is only available for the current year and if no further funding is received there will be a large financial challenge to be mitigated.
- Queried where the £3m saving has come from in the IPEH programme. *The Director of Finance and Support Services will provide the information.*
- Queried where an additional £5m funding pledged to Children's Services by the Chief Executive has come from. *The Director of Finance and Support Services will provide this extra information to the Committee.*
- Commented that the lessons learned in this outturn TPM report should inform the 2020/21 budget process.
- Noted the Highways overspend due to issues with awarding the new maintenance contract and requested the Cabinet Member for Highways and Infrastructure be asked to clarify what is causing the repeated pressures on the highways budget.
- Commented in relation to highway white lining pressures that in the 2018/19 budget an extra 1% was pledged for white lining and signs, and queried how this money had been spent. *The Director of Finance and Support Services will provide the detail of this spend.*
- Noted the overspend in Facilities Management for reactive maintenance and cleaning and queried why the causes were not foreseen. *The Cabinet Member for Corporate Relations will seek clarification for the Committee.*

7.4 The Head of Intelligence and Performance introduced the performance element of the TPM report, and highlighted that three quarters of the 68 performance indicators had been met or nearly met including child healthy weight, key stage 2 attainment, cycle paths and delayed transfers of care. Failed indicators were highlighted and further narrative provided on each in the report.

7.5 The Committee made comments in relation to the performance element of the TPM including those that follow. It:

- Members expressed concern that the KPIs for the Best Start of Life priority do not reflect the reality within the service and the concerns shown in the recent Ofsted report, nor highlight 'danger' areas for Members, and requested that in future issues these should be clearly highlighted within the TPM report for wider Member

awareness outside of the individual Select committees. *The Head of Intelligence and Performance commented that the KPIs support the current West Sussex Plan and therefore may not be relevant to the issues picked up in the Ofsted report, however it is possible to access more detailed information on each of the measures via the performance dashboard online. The Director of Finance and Support Services commented that a more detailed look at this could be undertaken by the Children and Young People's Select Committee (CYPSSC).*

- Recommended that Select Committees should take greater responsibility for performance issues relevant to their portfolio.
- Expressed concern that measure 35 'calls to critical fires' was near but most likely short of target due to a lack of retained firefighters. The Chairman of the Environment, Communities and Fire Select Committee commented that there is a lack of retained firefighters within the county and a task and finish group has been established to look at the impact of this plus the emergency response standard to reflect current arrangements.

7.6 The Director of Human Resources and Organisational Change introduced the workforce element of the TPM report, highlighting an additional KPI for total headcount which has been added to the report. The current turnover rate of staff is 14.3% so this will be an area of focus. The rate of sickness within the council is higher than the average which is possibly due to the way the system records sickness and is unable to exclude weekend days where needed. The cost of spend on agency staff is significantly reduced, saving £1m against the target of £0.5m, and this is being very closely managed. It is intended to bring a more in-depth assessment of workforce analysis for the full year 2018/19, including appraisal return figures, to the next meeting of this Committee

7.7 The Committee made comments in relation to the workforce element of the TPM including those that follow. It:

- Queried whether it was possible to change the system of recording attendance and sickness to better reflect the true picture of absence. *The Director of Human Resources and Organisational Change explained that this wouldn't be possible without large cost or administering this outside of the Council. The system counts weekends as sick days, which is a necessary facility as some staff work weekends, however it then skews the wider figures.*
- Requested that the Director of Human Resources and Organisational Change look into whether productivity could be measured across the organisation to demonstrate staff performance and effectiveness. *The Director of Human Resources and Organisational Change will consider this suggestion and provide information to the Committee in due course.*

7.8 The Cabinet Member for Corporate Resources introduced the transformation element of the TPM report, highlighting that a newsletter is being reviewed that will update Members on specifics of the transformation projects.

7.9 The Committee made comments in relation to the transformation element of the TPM including those that follow. It:

- Noted the £6.5m contribution added to the transformation fund in 2019/20 and queried which budget this was allocated from. *The Director of Finance and Support Services explained that it was summarised within the Corporate Resources budget reserve in the 2019/20 budget.*

7.10 Resolved:

- 1) That the Committee requests extra information be provided on the £3m IPEH savings;
- 2) That the Committee asks the Leader to continue to lobby the government on the funding situation;
- 3) That the Committee expresses concern regarding the KPIs used and how they reflect what is actually happening within services, and requests that officers highlight any 'danger' issues at the right time and in an appropriate place;
- 4) That the service Select Committees take greater responsibility for performance issues relevant to their portfolio responsibilities;
- 5) That the Committee refer a review of the Best Start in Life KPIs to the Children and Young People's Services Select Committee (CYPSSC) to ensure they are relevant; and
- 6) That the Committee requests officers consider how staff productivity across the Council could be measured.

8. Capital Programme Quarter 4 Performance Monitor Report and Outturn 2018/19

8.1 The Committee considered the capital programme quarter 4 and outturn 2018/19 performance monitor report by the Executive Director of Place Services (copy appended to the signed minutes).

8.2 The Capital Programme Manager introduced the report and summarised key aspects of this end of year report. A full year of pipeline data now provides a good baseline for future years. Projects that were dropped from the programme are detailed in the report. The RAG status over the year shows steady performance and projects judged Red are detailed for the Committee.

8.3 The Committee were satisfied with the clear information presented and thanked the Capital Programme Manager for the end of year report.

8.4 Resolved - That the Committee reviewed and noted the March 2019 and outturn 2018/19 capital programme performance monitor report.

9. Annual Scrutiny Performance 2018-19

9.1 The Committee considered the Annual Scrutiny Performance 2018/19 report from the Director of Law and Assurance and Head of Democratic Services (copy appended to the signed minutes).

9.2 The Head of Democratic Services introduced the report and highlighted key information for the Committee, with the results of the annual scrutiny member survey demonstrating frustration with some aspects of the scrutiny process. Select Committees have a good appetite for external witnesses, informal briefings outside of Committee, and engagement with the Youth Cabinet. There is a need to focus more on outcomes in the annual report and to identify how best to measure the effectiveness of scrutiny. A Member Day is due to be held in September with the Centre for Public Scrutiny (CfPS) to review scrutiny at the Council and the new national scrutiny guidance.

9.3 The Committee made comments in relation to the annual scrutiny performance report including those that follow. It:

- Thanked the Head of Democratic Services for this useful review of scrutiny within the county.
- Commented that the scrutiny survey should be distributed in electronic format in future years rather than paper to enable Members to respond anonymously, to save paper and to encourage response rates. *The Head of Democratic Services agreed that this could be actioned.*
- Expressed concern regarding the reduction in Members feeling select committees were able to influence decisions appropriately and commented that scrutiny must be more proactive, robust and add value to decisions. *The Head of Democratic Services confirmed that a Member Day would take place in September with a focus on scrutiny arrangements, including the use of performance information. The outcomes from the session would feed into the scrutiny work programme for the next 2 years.*
- Stressed the importance of scrutiny needing to be independent and raised a suggestion that Chairmen should be appointed by the committees in a secret ballot.
- Suggested that more minority party Members should be appointed to the roles of Chairmen and Vice Chairmen.
- Queried whether the recent corporate peer review highlighted any areas that require attention. *The Head of Democratic Services explained that the peer review did not focus on scrutiny arrangements, but scrutiny may benefit from an independent view especially in light of the recent MHCLG guidance that needs to be considered.*
- Acknowledged the inevitably reactive nature of select committees, in addition to necessary regular items such as the budget, but expressed support for a more pro-active approach to scrutiny. It was suggested that best practice in other authorities and the private sector could also be considered alongside risk.
- Commented that more officer time and support resource is required to help Members enquire into issues arising.

9.4 A Member of the Committee proposed some suggested recommendations regarding scrutiny that the Committee may wish to consider, following on from the recent Ofsted report which demonstrates the need for effective, independent and comprehensive scrutiny. The suggested recommendations are set out below and it was recognised that

a change to the Constitution of the Council may be required to enable these suggestions:

- To encourage scrutiny to be independent of decision makers, the Chairman and Vice Chairman could be elected by the Committee via secret ballot;
- To enable comprehensive scrutiny Committees could hear from non-members with relevant knowledge. Members who do not sit on the Committee could be given the right to speak on one agenda item, and the option of speaking on further items at the Chairman's discretion (and claim expenses for their attendance);
- To ensure all views are included in the scrutiny process all Members could have the right to sit on at least one service select committee.

9.5 The Committee discussed the suggested recommendations and made comments including those that follow. It:

- Expressed some support for Select Committee Chairmanship being selected from within by secret ballot or appointed from the opposition party to encourage robust scrutiny, highlighted that this has worked well at some local councils, and recommended this suggestion be put to the Governance Committee for consideration.
- Did not support making the suggested recommendations and commented that it isn't for this Committee to make recommendations of this nature; amendments such as these would require wider Member engagement and the involvement of the Governance Committee.

9.6 Resolved - That a review of scrutiny is undertaken by the Governance Committee to consider the national guidance and best practice on scrutiny including consideration on appointing Chairmen and Vice Chairmen of Committees.

10. Forward Plan of Key Decisions

10.1 The Committee considered the Forward Plan of Key Decisions (copy appended to the signed minutes).

10.2 Resolved – That the Forward Plan be noted.

11. Date of the Next Meeting

11.1 The Committee notes its next meeting will take place on 12 July 2019, commencing at 10:30am.

The meeting ended at 3.25 pm

Chairman

This page is intentionally left blank

10 June 2019

Pieter Montyn
Chairman
Performance and Finance Select Committee

Dear Pieter,

Property development arrangements – procurement of a property development enterprise to work in partnership with the County Council

Thank you for your letter following the meeting of the Performance and Finance Select Committee on 22 May 2019 concerning my forthcoming decision that the County Council pursues a joint venture in property development.

The Committee requested that 'before any further decisions are taken by officers (recommendations 2 and 3)' that 'a report will be presented for scrutiny'. Taking forward recommendations two and three in the draft key decision report will in themselves be key decisions. Having reflected on the Committee's comments I have asked officers to pick up the Committee's wider concerns in the report concerning those decisions, which will be prepared in advance of going out to tender. We are working towards giving the Committee an opportunity to preview the draft decision report at its meeting on 3 October.

I note that the Committee also requested that local members are consulted before any sites are included in the proposed JV. There are existing arrangements in place for local members to be consulted as part of the key decision process when Council assets are declared surplus to operational need and when they are disposed of. I confirm that these arrangements will remain in place for disposals to the JV. However, as is the case when a site is disposed of to a third party, once a site is transferred to the JV, there will be no further consultation with local members, other than through the normal planning process.

The Committee suggested that a strategy for managing the County Council's surplus land should be developed. I would refer the committee to the Asset Management Policy and Asset Management Strategy approved in 2018 (Decision Ref: [FR6 \(18/19\)](#)). There is an established process in place for the assessment of land and buildings potentially surplus to operational need, where cases are presented to a senior officer group that has representation from each service. If no service use is identified the property can be declared surplus to operational use. The asset in question is then subject to an options appraisal by the Valuation and Estates team to determine best value. Depending on the nature of the property the options include seeking planning consent to increase value,

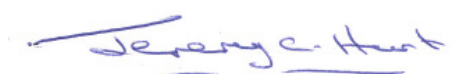
disposal for capital receipt, commercial leasing for revenue return or re-development. This new proposal will add an option of disposal to the JV.

The Valuation and Estates team also manages longer term potential development opportunities by promoting land in the Local Plan call for sites and through the Strategic Housing Land Availability Assessment (SHLAA) exercises carried out by the District and Boroughs as Planning Authorities. In this context the Council's approach to including affordable and social housing in developments is simply to comply with approved District and Borough Council Local Plans.

Finally, you mentioned possible scheduling of an additional meeting of the Business Planning Group, to look specifically at how the concerns/questions raised by the committee are taken forward. I have already noted the Committee's wider concerns and, as stated earlier in my reply, I have asked officers to pick up these points in the preparation of the next decision report. The aim is to have this draft decision report available for the normal BPG in advance of the October Committee meeting. I therefore respectfully suggest that an additional BPG, ahead of the normal scheduled one, would be of little benefit. I would also suggest that as the officers will be under pressure to complete this work in a timely way, it might be counterproductive to deflect resources to prepare for an additional meeting. Obviously, the full discussions can then take place at the Committee meeting on 3 October.

I trust this addresses the Committee's concerns, provides assurance that I have noted their suggestions and confirms that they will have an opportunity to scrutinise the further key decisions, prior to going out to tender.

Yours sincerely,

A handwritten signature in blue ink that reads "Jeremy C. Hunt". The signature is written in a cursive style and is positioned above a horizontal line.

Jeremy Hunt
Cabinet Member for Finance and Resources

Performance and Finance Select Committee
12 July 2019
Our People Strategy – Progress 2018/19 and Priorities for 2019/20
Report by Director of Human Resources and Organisational Change

Summary

During 2019/20 we will work to achieve an agreed West Sussex Workforce/People Strategy and an underpinning action plan to support the delivery of West Sussex's Plan and Medium-Term Financial Plan; and most importantly to support our cultural challenges.

During 2018/19 great effort was made to both engage with our staff and to achieve reliable workforce key performance indicators.

The Annex to this report provides information about:

- Our progress and achievements during 2018/19
- Areas for further scrutiny and attention in 2019/20

Specific areas of success in 2018/19 include:

- Focus on performance; our values and staff engagement;
- Employment of permanent staff, and reduction in agency workers/cost;
- Increased numbers of apprenticeship and use of the apprenticeship levy;
- Numbers of staff grievances;
- Numbers of long-term sicknesses instances that are now being managed;
- Induction completion rates.

Specific areas for further scrutiny and attention in 2019/2020 include:

- Ensuring inspiring and effective leadership – appropriate for today's, and tomorrows, local government challenges;
- Appraisal completions rates to reach our 100% target;
- Actions to ensure we are a diverse and inclusive employer;
- Support for our staff to speak openly and without fear;
- Staff wellbeing support to help reduce sickness absence;
- Enabling our staff to undertake work differently and more efficiently e.g. using better technology and addressing business processes that are slowing progress.

The Appendix to this report is a supporting performance dashboard providing workforce Key Performance Indicators (KPIs) for each department and also providing KPIs for the Children Social Services Directorate, Adult Social Services Directorate, and Fire and Rescue Services – the three priority services for 2019/20.

The focus for scrutiny

The committee is asked to:

- Review the analysis, commentary and supporting KPIs for 2018/19;
- Comment on the priorities for 2019/20;
- Make any relevant recommendations for action to the Cabinet Member for Corporate Relations.

1. Equality Duty

1.1 An Equality Impact Review is not required as the report deals with internal or procedural matters only.

Heather Daley

Director of Human Resources and Organisational Change

Contact Colin Chadwick, 033 022 23283

Appendices

Annex 2018/2019 Workforce Outturn Report: Progress 2018/19 and Priorities for 2019/20

Appendix A Our People Strategy: Key Performance Indicator Dashboard

Background Papers

None

2018/2019 WORKFORCE OUTTURN REPORT - Progress 2018/19 and Priorities for 2019/20

1 EXECUTIVE SUMMARY:

- 1.1 During 2019/20 we will achieve an agreed West Sussex Workforce/People Strategy with an underpinning action plan to support the delivery of West Sussex's Plan and Medium-Term Financial Strategy; and most importantly to support our cultural challenges.
- 1.2 Prior to 2018 there was limited information and scrutiny in relation to the County Council's workforce. During 2018/19 significant effort has been made to identify and set out clearly our Workforce/People priorities and the relevant performance indicators to track the cultural change we are seeking organisationally.
- 1.3 During 2018/19 a great effort was made to engage with our staff through:
 - Our staff network groups (women in the workplace, disability, mental health, LGBT, BAME, carers);
 - The mental health group was a newly created group during 2018/19;
 - Elected representatives from the staff network groups via a Staff Culture Board that the Chief Executive chairs;
 - Our inaugural staff recognition awards ceremony;
 - Our inaugural annual Staff Conference;
 - Quarterly on-line pulse surveys;
 - The first comprehensive all-staff survey for 5 years;
 - Follow-up workshops after the staff survey to find out what exactly is concerning our staff and that they would like to change;
 - The launch of a 'staff app' (called Big Exchange) the first for a local authority – enabling us to engage more easily with our workforce and to break down traditional barriers to communication and engagement.
- 1.4 We now have a good grip on our workforce key performance indicators. Our actions in 2018/19, and our trend analysis shows, that despite the organisation being under pressure we have made positive strides and directional travel in:
 - Focus on performance; our values and staff engagement;
 - Employment of permanent staff, and reduction in agency workers/cost;
 - Increased numbers of apprenticeship and use of the apprenticeship levy
 - Numbers of staff grievances;
 - Numbers of long-term sickness instances that are now being managed;
 - Induction completion rates.

- 1.5 Areas for further scrutiny and attention in 2019/20, include:
- Ensuring inspiring and effective leadership – appropriate for today’s, and tomorrows, local government challenges
 - Appraisal completions rates to reach our 100% target
 - Actions to ensure we are a diverse and inclusive employer
 - Support for our staff to speak openly and without fear
 - Staff wellbeing support to help reduce sickness absence
 - Enabling our staff to undertake work differently and more efficiently e.g. using better technology, and addressing business processes that are slowing progress
- 1.6 Importantly we now have a firm evidence-base, including the Ofsted and Fire Service Inspection findings, from which to determine an agreed West Sussex Workforce/People Strategy with an underpinning action plan that places culture at the heart of the organisation. We want every member of staff to understand and share our values, and to believe that this is a place where they can succeed and thrive.

2 INTRODUCTION:

- 2.1 There are three key areas of organisational challenge which need to be our focus to ensure the future success of our organisation on behalf of our residents:
- Culture;
 - Finance; and
 - Performance
- 2.2 **Our Cultural Challenge:**
- 2.3 By having the right culture within our organisation we will be more able to successfully respond to our financial and performance challenges. Our aspiration to have a ‘can do, does do’ culture has not yet been universally reached.
- 2.4 Both the Ofsted and Fire and Rescue Inspections in 2019 identified a number of cultural challenges which, for them to be prevalent, suggests that these matters have still to be ‘cracked’; and new ways of working sustained. These Inspection observations included:

Ofsted:

- Poor challenge and direction;
- Low impact corporate parenting arrangements;
- Poor quality assurance; supervision and social work practice;
- Children experiencing too many social workers; and challenges recruiting and retaining social workers.

Fire and Rescue:

- Inadequate risk management arrangements including systems for extracting and reviewing data to inform risk;
- Inadequate use of technology and resources;
- Too little emphasis on staff wellbeing;

- Too little day-to-day role modelling and communication of shared values.
- 2.5 Our cultural priorities for **2019/2020** are to:
- Strengthen the foundations of our governance, including:
 - Tackling non-compliance e.g. performance appraisal completion and mandatory induction completion;
 - Establishing efficient and effective decision making routes and ensuring these are clear to staff; and
 - Improving performance and risk management.
 - Provide an enabling and empowering culture, including:
 - Picking up and addressing the following issues raised in the workshops following the all staff survey
 - My opinions ideas and creativity are valued and have an impact on the way we work;
 - It is safe to speak up and challenge;
 - I am treated with fairness and respect; and
 - Senior managers are sufficiently visible and accessible within the County Council.
 - Understand the problems we are trying to solve, including:
 - Changing outcomes, based on good data analysis
 - Ensuring effective leadership and management
 - Ensuring ownership and accountability at all levels in the organisation.
- 2.6 **Our Financial Challenge:**
- 2.7 Achieving our Medium-Term Financial Strategy for 2020/2021 and 2021/2022 against both a backdrop of increasing demand and within the context of our performance and cultural challenges is essential for our success.
- 2.8 All successful organisations have the right culture. We aspire to have a culture that lives and breathes our values, where all of our people are able to work in an empowered, collaborative and innovative way to make a real and positive difference to all our communities; but cultural change takes time and focus. Building confidence in our workforce to share ideas and implement change at a faster pace will help the organisation, through transformation, to become more efficient and effective and thus in turn help to support the financial challenge we face as an organisation.
- 2.9 **Our Performance Challenge:**
- 2.10 The following are our organisational priorities for 2019/20:
- Children's Social Care (post-inspection)
 - Fire and Rescue Services (post-inspection)
 - Adult Social Care Improvement
 - Whole Council Design
 - Health and Social Care Integration.

3. OUR WORKFORCE/PEOPLE STRATEGY:

- 3.1 Our People Strategy will support and enable the very best from the workforce of the organisation and the identified priority areas for the strategy and action plan are:
- Culture and values – i.e. “the way we do things around here”
 - Inclusion
 - Change and Engagement
 - Performance and Skill
 - Talent and Resourcing
 - Safety, Health and Wellbeing.

4 PRIORITY 1: CULTURE AND VALUES:

- 4.1 During 2018/19 our intention was to:
- Launch a Corporate Management Team development programme;
 - Achieve Corporate Leadership Team stability; and
 - Promote staff recognition scheme and sharing of successes.

- 4.2 Based on **our analysis below our areas of concern and therefore priorities for 2019/20 are:**
- Ensuring impactful mind-set change work to help progress development of our executive, director and senior managers;
 - Increasing staff engagement in feedback routes like the quarterly pulse survey; and
 - Increasing staff positivity.

4.3 Corporate Management Development:

- 4.4 We undertook a Corporate Management Team learning needs diagnostics using the 21st Century Public Servant competencies as a benchmark and determined that our priority development requirements during 2019/20 needs first to be mind-set changes to support our cultural ambitions, including:
- Senior leadership ability to relate to others in a way that brings out the best in them, fosters teamwork, collaboration and involvement in decision making;
 - Senior leadership self-awareness and authenticity; and
 - Leadership energy is focussed on creative activity e.g. visibility, accessibility and accountability.
- 4.5 We are currently completing the diagnostic and delivery framework phase for our Corporate Management Team (Tiers 1-3 of senior leadership) development programme. We will work collaboratively with a range of commissioned learning and development partners, using a common framework of outcomes, to deliver our development programme. The programme will be delivered in departments, to support their individual challenges and facilitate the bedding in of the corporate leadership departmental structure.

4.6 Leadership Team Stability:

4.7 We would, as a rule, expect and want all our posts to be filled on a permanent basis, or with professional interims who have sought after strengths and experience often necessary during periods of substantial challenge and change. To leave posts unfilled, or not covered by individuals with insufficient experience can have a destabilising impact on the corporate leadership, change oversight and implementation. If posts are filled on a permanent or professional interim basis then we have a guaranteed level of leadership stability. Over and above that our 'stretch target' was for 95% of the Corporate Leadership Team (CLT) to be permanent appointees. At the conclusion of 2018/19 two (11%) of the 17 CLT posts were not filled on a permanent basis (Children's Services and Property and Assets). This falls short by 6% (equivalent to one post) our 95% target. However, when account is taken of the CLT (Tier 1) restructure during 2018/19 (paragraph 4.8) this is a comparatively positive outcome.

4.8 During 2018/19 the CLT structure, plus a number of posts reporting-in to the CLT, was changed. The restructure, effective from May 2019, created three departments (People, Place and Resources) and a Chief Executive's Office. During 2018/19 three CLT members left (Education and Skills, Children's and Family Services, Economy, Planning and Place) and we made two new permanent appointments to the Director of Education and Skills and Director of Adult Services.

4.9 In 2019/20 Q1 we successfully appointed to the Director of Property and Assets; but were unsuccessful recruiting to the Executive Director of Resources on a permanent basis. By the end of 2019/20 Q1 we expect to make a permanent appointment to the Chief Fire Officer and Joint Strategic Director of Commissioning in July and to have two CLT roles covered on a long-term interim basis (Director of Children's Services, and Executive Director of Resources). This therefore means that we are not far short of our stretch target despite a CLT restructure.

4.10 Staff Recognition:

4.11 We held our inaugural staff recognition awards ceremony in 2018 supporting and bringing to life our corporate values and an inaugural annual Staff Conference focusing on the West Sussex Way and Rising to Our Challenge. We also continued to take the cultural 'pulse' of our staff through a short quarterly survey and we listen and act upon what that tells us.

4.12 Staff Engagement and Positivity:

- 4.13 Our target for staff participation in pulse surveys is 50%. This may seem low, but traditionally staff participation in internal surveys can be low. The 50% target is a reasonable one for us to aspire to currently. Unfortunately participation decreased to 20% in 2018-19 from 29% in 2017/18. The areas of lowest return are not surprisingly those directorates which are "hard to reach" as staff don't have easy access to a computer. As part of our plan to increase communication and engagement with these staff groups we have:
- launched our 'staff app' called "The Big Exchange" in March 2019. Take up has been positive with 1,200 staff having signed up to date. In future we will increasingly drive completion of the pulse survey through this route;
 - improved arrangements to provide data for Directors so they can identify and act on services with low participation rates.
- 4.14 Our target is also to ensure that we have positive scores* reflecting the views of staff in at least 50% of the questions we ask in our quarterly pulse survey about how we work and how it feels to work in the organisation. The pulse survey questions are changed periodically to follow-up the impact of initiatives undertaken to address areas of concern previously highlighted. Currently we achieve positive scores in 71% of the questions we ask. As part of our plan to improve the culture relating to the 29% of questions where the scores were not positive we will:
- Continue to invest in leadership and management development; provide additional support for facilitated team discussions to enable more interaction with senior leaders and opportunity to enable issues to be discussed and planned changes to be agreed and tracked.

* A positive score is where the sum of the returns for 'Sometimes' and 'Always' is 75% or higher

5 PRIORITY 2: INCLUSION:

- 5.1 During 2018/19 our intention was to:
- Support the culture board and staff groups to undertake a visioning exercise to determine outcomes, plans and KPIs;
 - Undertake Timewise accreditation diagnostic and action planning; and
 - Ensure targeted action to address feedback from ENEI (Employers Network for Equality & Inclusion) assessment and non-disclosure.

- 5.2 Based on our analysis below **our areas of concern and therefore priorities for 2019/20 are:**
- Review of County Council's diversity and inclusion policy, procedures, guidance; engagement with key stakeholders, including staff network groups and trade unions; and drawing up of an underpinning 3-year positive steps action plan and
 - Increase employee diversity disclosure levels through improving awareness and data capture processes.

5.3 Culture Board and Staff Network Groups:

5.4 We undertook a joint visioning workshop with all staff network groups which identified the need and desire for our staff groups to work more collaboratively as many of the issues are common to all and an additional staff network group on mental health was established. We also amalgamated a number of staff policies and guidance in to one 'Special Circumstances Policy' and this work was prompted and supported by the Culture Board and Staff Network Groups.

5.5 Equality Standards:

5.6 We undertook a number of diagnostic assessments using established benchmarking assessment tools:

- Timewise - the UK's leading flexible working consultancy specialising in flexibility as a positive talent strategy, and
- The Employers Network for Equality and Inclusion (ENEI) – a benchmarking diagnostic that assesses our activity as an employer across all protected characteristics rather than a single identity

5.7 We are now developing our 3-year diversity and inclusion action plan, which will underpin the Council's Workforce/People Strategy. The outcome we are striving for is to improve inclusion for all employees, regardless of their identity or protected characteristics. For these reasons, we are considering whether it is better to concentrate on benchmarking our activity as an employer across all protected characteristics rather than a single identity; and our focus may move therefore to the Employers Network for Equality and Inclusion (ENEI) diagnostic and action planning tool where the County Council was awarded a Talent Inclusion Diversity Evaluation (TIDE) Bronze Award, this month. The diagnostic report we receive following this assessment will help inform our workforce/people action plan.

5.8 Non-disclosed diversity detail for staff:

5.9 This is a particular challenge because provisions for separate recruitment and staffing record systems to link is not currently in place, and will take time and cost to remedy. In the meantime our staff records are not being replenished as staff leave and others start.

6 PRIORITY 3: CHANGE AND ENGAGEMENT:

6.1 During 2018/19 our intention was to:

- Review of all-staff survey detail (available September 2018) and realign our People focused outcomes, plans and KPIs in light of this detail;
- Improve our business change approach within the organisation including considering a new organisational change policy/approach that underpins and contributes to addressing the 'West Sussex Way – Rising To Our Challenge'; and

- Improve our performance assessment and reporting of workforce organisational performance and change.

6.2 Based on our analysis below **our areas of concern and priorities for 2019/20 are:**

- Determining with staff and their managers what actions we can all do to:
 - Make staff feel more positive about whether they are treated with fairness and respect. This is particularly tied up with organisational change and changes that affect individuals and a feeling that ideas and suggestions are not respected; or that there is unfairness in the way people are treated in restructures.
 - Be clearer about where accountability lies, who makes decisions and why and how they are made
 - Staff feeling valued as their ideas and creativity are valued and have an impact on the way we work.
 - Enable staff to feel safe to speak up and challenge the way things are done; and
- Identify common tools and descriptors for affecting and assessing workforce organisational performance and change and determining and achieving agreed benefits (financial, performance etc); and
- Engaging departments and directorate management teams in key workforce/people issues and improvements, underpinned by performance data.

6.3 **Review of 2018 all-Staff Survey:**

- 6.4 We carried out an all-staff survey (the first for 5 years). This sort of information was not available to us previously. We then undertook follow-up workshops with staff. These told us that:
- 94% of staff are positive about working relationships with colleagues; and 78% feel there is flexibility to work in a way that suits them;
 - Perceptions of feeling informed about what the council is doing are notably above the Local Government benchmark group;
 - 29% of staff felt negatively or neutrally about whether they are treated with fairness and respect;
 - There was a lot of neutrality towards senior management as well as a perception (up to 66%) that they are disconnected from the organisation. In particular staff wanted to be clear who made decisions, to be able to contribute before decisions are made; and to understand why decisions are made;
 - Staff need to feel more valued and rewarded as well as feeling that they genuinely have an opportunity to innovate; and
 - 33% of staff felt safe to speak up/challenge the way things are done.
- 6.5 Action we have taken since the all staff survey results came out, includes running additional staff workshops where it became clearer from both the survey and workshops that staff would feel more positive if they felt:

- o Their opinions ideas and creativity are valued and have an impact on the way we work;
 - o It is safe to speak up and challenge;
 - o They are treated with fairness and respect; and
 - o Senior managers are sufficiently visible and accessible within the County Council.
- 6.6 As part of our plan to address these concerns (which aligns with the feedback we receive in the regular pulse survey) we will, in addition to the action highlighted:
- o Act swiftly to fill all the CLT posts on a permanent or interim basis – enabling the new Executive Leadership team (Chief Executive; 3 x Executives Directors and Chief Fire Officer) to work effectively to address the organisation’s most pressing challenges i.e. concerns identified through the Ofsted and Fire and Rescue Inspections; Adults’ Social Care improvement, our financial challenges and our cultural challenges.
 - o Ensure the Executive Leadership team is visible, accessible and approachable.
- 6.7 **Review of regular quarterly staff pulse survey:**
- 6.8 Following the all-staff survey we amended some of the questions in our quarterly pulse survey to allow us to track the areas of particular concern, namely:
- o Visibility and accessibility of senior leaders;
 - o Staff feeling able to speak up and challenge;
 - o Splitting out (a) being trusted to do the job from (b) being treated with fairness and respect;
 - o Being asked for ideas and suggestions for improvements; and
 - o Having the resources to complete our work effectively and being satisfied with the total benefits package.
- 6.9 The results from the last pulse survey showed that the area requiring greatest work still is the visibility and accessibility of Directors, followed by being able to contribute my views before changes are made which affect me. These areas are both linked, as the feedback we got from the focus groups following the survey, is that staff want to be able to have access to the “decision makers” so that they can contribute and collaborate regarding changes affecting them. There is a blurred line between ideas and challenges, innovation and questioning is often seen as an individual being difficult. When staff do contribute ideas they currently do not feel that are kept in the picture or included in the conversation.
- 6.10 **Improve organisational and business change processes:**
- 6.11 We have made some progress alongside and with the Transformation Team (focussing on Whole Council Design) to identify common tools and descriptors for effecting and assessing change and determining and achieving agreed benefits (financial, performance etc).

6.12 Improve performance assessment and reporting on organisational performance and change:

6.13 We have reported quarterly on our people and workforce via the TPM report, presenting key workforce/people performance indicators with a more detailed analysis for the year end progress, in this report, and the focus for the subsequent year namely 2019/10.

6.14 In 2019/20 we will be producing workforce KPI dashboards for departments and directorates and these will track trends, highlight areas of potential concerns and enable focused interventions and performance assessment where necessary. We have started this already at a more strategic level by highlighting the Children Social Services, Adult Social Services and Fire and Rescue Services KPIs in this summary report given the priorities these three directorates are for our organisation.

7 PRIORITY 4: PERFORMANCE AND SKILL:

7.1 During 2018/19 our intention was to:

- Review our appraisals and performance management tools;
- Undertake targeted intervention including training and development;
- Review all employee relations cases to identify stuck, complex and lengthy cases to ensure clear action plans are put in place for prompt resolution. Plus focus on building the skills, knowledge and capability of the HR teams and establishing sound performance management and case management practice; and
- Increase manager awareness and support to managers to resolve concerns promptly and where possible informally.

7.2 Based on our analysis below **our areas of concern and priorities therefore for 2019/20 are:**

- Ensuring managers undertake, record and return performance appraisal assessments for their staff;
- Supporting managers to address concerns about staff performance with confidence and in a timely way; also with humility and in accordance with the Council's values including:
 - probationary periods
 - targeted interventions including training and development
 - handling of employee relations cases
 - refreshed employee conduct, standards and expectations
 - simplified formal action procedures for when employees' employment is a risk as a result of conduct, performance and wellness concerns;
- Ensuring fewer non-attendance or late cancellations for training;
- Considering a suite of mandatory training for all managers and how to ensure this is welcomed and implemented within the organisation;
- Continuing to revise our employment policies and procedures to support fair and efficient handling of employee relations cases.

7.3 Review of Appraisal and Performance Management tools:

7.4 The Appraisal process requires managers to set and agree 4-6 objectives to be achieved by their direct reports. Performance in achieving these objectives and in behaving in accordance with the Council's values and professional conduct codes is monitored at regular 'check-in' meetings on a quarterly basis as part of our approach to continuous performance management. A performance assessment is determined at the end of year review and this information is captured corporately and used to identify high/low performing individuals/areas.

7.5 For the beginning of the 2019/20 appraisal year we made the criteria much clearer for incremental progression through grades (where they apply), and simplified documentation and guidance. Linked to this we have clarified that pay increments going forward will only be paid subject to a 'good' or 'exceptional' performance appraisal overall rating.

7.6 Manager performance completing and returning appraisal summary information on time:

7.7 Our target is to have 100% of our managers returning appraisal rating data on time. Performance increased to 73% in 2018/19, compared to 65% in 2017/2018. We had low response rates by the deadline from Children's Social Services (54%). As part of our plan to address this we are currently:

- following-up with managers, via their Directors, to ensure completed appraisal summaries not returned are captured. We will be able to report at the mid-year point how many ultimately submitted the information compared to the 65.9% in 2017/18;
- concentrating our efforts to improve performance in: Children's Services, Adults' Services and Fire and Rescue Services;
- balancing our efforts on identifying ways to record which managers are setting objectives for 2019/20 as well as providing evidence that they undertook an appraisal for 2018/19
- identifying all staff for whom the end of year assessment was 'unsatisfactory' or 'improvement needed' and working with managers to support and track either the formal or informal action needed next.

7.8 We have made a firm link between performance and pay increments moving forwards. This is a significant move. Provision in 2019/2020 for automatic pay increment payments, unless overridden by a specific instruction not to, will end and pay increments will only be paid when and after we have received confirmation from the manager that the staff member's performance is assessed overall as 'good' or 'exceptional'.

7.9 Supporting managers to address staff performance:

- 7.10 Moving forwards our target is to have 95% of staff assessed as 'good' or 'exceptional' through appraisal ratings in their role modelling of our organisational values. 81.3% staff in 2017/18 were assessed as 'satisfactory', 'good' or 'exceptional' by their manager. Based on the data submitted by the deadline 81.1 % of staff in 2018/19 were assessed as 'good' or 'exceptional'. We will continue to collate and assess responses and provide an update at mid-year point.
- 7.11 Of those staff who had an appraisal recorded by the deadline, 18.7% were identified as 'improvement needed' or 'performing unsatisfactorily'. This represents 607 staff (557 for 'improvement needed' and 50 for 'performing unsatisfactorily'). Focusing on the priority service areas for 2019/20 these appraisal returns included:
- 25% (188 staff) of the appraisal returns for Children Social Services
 - 27.2% (181 staff) of the appraisal returns for Adult Social Services
 - 21.8% (79 staff) of the appraisal returns for Fire and Rescue Services.
- 7.12 Our priority is to support managers to address concerns about staff performance i.e. those staff rated 'unsatisfactory' or 'improvement needed' with confidence and in a timely way; also with humility and in accordance with the Council's values.
- 7.13 **Probationary Periods:**
- 7.14 Processes for probation reviews, and ways to monitor their implementation, will be implemented in 2019/20 quarter 2.
- 7.15 **Staff Productivity:**
- 7.16 There has been some interest in considering additional ways to assess staff 'productivity' (as a particular aspect of performance). Productivity measures typically require data on: time spent; and 'output' produced. We do not currently operate a time management recording system, so there is no data to assess time spent on producing a specified output.
- 7.17 With the exception, for example, of sickness absence which does have an element of time recording within its' measure; there is limited scope for other additional and universal staff productivity-like measures. This is because many of our work/roles are: complex; assessment orientated and outcome (rather than output) based. These types of roles do not tend to lend themselves to productivity measures.
- 7.18 **Targeted Interventions (including training and development):**
- 7.19 We:
- Started the roll-out of new updated appraisal training, starting with the Corporate Management Team leaders who actively sought support.
 - Substantially improved staff induction completion rates from 47% in 2017/18 to 73% in (Q3 and Q4 of 2018/19) which helped significantly to improve the rolling 2018/19 full-year performance increase to 59%.
 - Are working closely with the Children's Senior Leadership Team and Principal Social Worker and Children's Services Improvement leads to

- ensure targeted practice improvement training and support is provided and recorded.
- Have a number of new training courses that launched in Adult Social Services last year including risk enablement and an expansion of our motivational interviewing and strengths based approaches to support our practice approach.
 - Are currently working with the Fire and Rescue Services, to transfer the new recruit whole time firefighter training, into an apprenticeship, which we will deliver and then be able to draw down on the apprenticeship levy to fund.
- 7.20 The number of short notice cancellations or non-attendance at training has not improved. Managers and employees who do not attend training sessions are contacted to make them aware of the non- attendance, the impact this has and the cost to the organisation. A highlight report is sent to the relevant managers, Directors and Executive Directors so increased awareness and scrutiny happens ensuring fewer non-attendance or late cancellations for training.
- 7.21 **Handling of employee relations cases:**
- 7.22 Managers are increasingly tackling and initiating difficult conversations to address issues/problems at an early stage and this has resulted in fewer formal employee relations cases. The only exceptions are formal performance management cases which have increased slightly from 44 in 2017/18 to 50 in 2018/19; and formal management of long term sickness which has doubled from 92 cases in 2017/18 to 189 in 2018/19. These trends may not continue in 2019/20 as there are many factors that determine caseloads.
- 7.23 We have introduced a revised interim disciplinary policy and procedure which ensures clear and strengthened provisions for impartiality in decision making and will be making further improvements in 2019/20.
- 7.24 Simplified formal action procedures for when employees' employment is a risk as a result of conduct, performance and wellness concerns: We will be refreshing and simplifying our guidance and procedures so this helps all parties if formal action is needed. The aim always is to try to avoid the need for these processes if possible but on occasions this cannot be avoided.
- 7.25 We have also reviewed and revised the procedure and guidance for Staff Appeals and the Chief Executive attends these meetings now in a non-decision making capacity. During 2018/19 there were no appeals to the Staff Appeals Panel for any employee relations cases, including appeals relating to dismissal arising from redundancy.
- 7.26 **Employee Conduct Standards and Expectations:**
- 7.27 An updated explanation will be introduced in 2019/20 Q2; and brought to the attention of all new starters and existing staff as part of annual compulsory refresher training.

8 PRIORITY 5: TALENT AND RESOURCING:

8.1 During 2018/19 our intention was to:

- Focus on supporting Children's and Adult's Social Services to recruit and retain staff; and on learning and development interventions for line managers to promote consistency and quality;
- Improve our approach to recruitment through introduction of a clear recruitment brand, enhanced positive online presence, increased presence at recruitment fairs, and the delivery of effective recruitment campaigns;
- Developing a 3 year plan for Apprenticeships;
- Determine targets and KPIs including sustainable supply lines for 'hard to fill' posts and/or where positive action is needed to address imbalances in the workforce;
- Identifying areas that are reliant on agency workers and developing action plans to reduce the reliance; and
- Completing review of the detail we have on our employed and non-employed workforce and improving reporting of this.

8.2 Based on our analysis below **our areas of concern and priorities therefore for 2019/20 are:**

- To widen and deepen recruitment and positive news campaigns for Children's and Adults Social Services and continue to monitor the impact of our concerted effort to recruit and retain permanent and agency workers and to minimise turnover of permanent staff within both Services;
- Build on the success we have had in reducing the vacancy gap for Social Workers and Occupational Therapists in Adults' Services and recruit to the additional improvement and social worker roles that have recently been created;
- To maximise Apprenticeship Levy pot spend including through the Levy Transfer arrangements, ensuring all possible Council spend for qualifications is drawn down from the levy pot, implementation of the 3 years apprenticeship action plan;
- Undertake benchmarking on vacancy gaps for our most difficult to recruit to posts, including Social Workers, and establish new KPIs for the service based on industry best practice; and.
- Re-let our contingent workforce contract, which will deliver additional savings, greater flexibility and management information.

8.3 Children's Social Services:

8.4 In the latter half of 2017/18, 37 additional established posts were added to the establishment and immediate efforts were taken to recruit on a permanent or agency worker basis to fill those posts, and others created by usual staff turnover. This included the implementation of a flat rate £3k discretionary recruitment and retention payment, for qualified Children's social workers with a 12 month linked repayment term i.e. to November 2019 for the majority of staff. Our expectation then, was that we would continue this offer on a yearly basis for four further years. At the end of 2018/19 11.3% of the Children's Social Services Directorate workforce was an agency worker rather than permanent employee.

8.5 A further review took place in March 2019 within the context of a review of the wider organisation's discretionary arrangements for recruitment and retention support. This took account of improvement in recruiting and retaining within Children's Social Services (since November) and options to be even more impactful were considered.

8.6 In May 2019 (2019/20 Q1) an enhanced discretionary recruitment and retention offer was made to qualified children's social workers that included: a single payment equivalent to 20% of a single years' salary with a retention period of 18 months; access to interest-free loans and car parking was made. Well over 80% accepted this offer during May of which: 59% expressed interest in interest free loan arrangements; 99% in car parking arrangements; and 48% in taking a pool car home overnight. Additionally efforts were doubled again in the engagement of agency social workers pending permanent recruitment – and this has helped considerably to lower the vacancy gap and also caseloads for individual social workers.

8.7 Post Ofsted it was not unexpected that there were negatively orientated contributions to news/press coverage. Particular effort is being given to determining an accurate account of our commitment, action and the impact we have had already on: our commitment to our staff, recruitment, retention, caseload numbers, professional practice development and support; and to countering any negative contributions with evidence to demonstrate otherwise.

8.8 At 13.6% staff turnover in 2018/19 was the highest in Children Social Services. This figure is near the top of our target range of 8-15% and compares to a turnover figure across all departments of 12.4%.

8.9 We are developing an "honest and realistic" attraction campaign, which clearly lays out our vision for our services and the journey we are on and helps to counter some of the negative publicity and commentary we have received over the past few weeks

8.10 Adult Social Services:

- 8.11 At the end of 2018/19 14.3% of the Adult Social Services Directorate workforce was an agency worker rather than permanent employee. This reflects the positive decision by the business to mitigate the risk of redundancy costs associated with moving to a new operating model for our Provider Services and therefore recruiting temporary agency staff.
- 8.12 **Apprenticeships:**
- 8.13 The apprenticeship levy pot, which is available to employers to fund apprenticeships and professional qualifications (through apprenticeships), is calculated on size of the pay bill. There is also some 'rolling over' provision from previous years (maximum 2 years). In April 2018 the pot was £1.5m and this has increased to £3.3m. Our aim was, and continues to be, to:
- Maximise the use of the levy pot, which has clear spending requirements;
 - Ensure as much of our professional qualification training spend is drawn down from the levy pot and not a different source of funding that could be saved, or spent elsewhere; and
 - Maximise the number of apprenticeship opportunities, (including professional qualifications through apprenticeships).
- 8.14 The levy pot spend has increased from £10.6k in 2017/18 to £133.6k in 2018/19. There was a new provision to enable large employers like the County Council to transfer 10% of the value of their levy pot to external organisations and from April 2019 this has increased to 25%. In 2019/20 Q1 West Sussex County Council has marketed this offer externally and had interest for monies to be used in ways that support our West Sussex Plan outcomes, including: for the Nurse Associate apprenticeship, in nursing homes, care homes, learning disability service, community interest groups, engineering firms, dental practices, manufacturing, welding, electronics and graphic design. The successful organisations will have been advised in June and then, through a Digital Apprenticeship Service (DAS) account the organisation will receive the transfer of funds to their account. Other organisations are approaching the County Council to learn about our work and replicate it.
- 8.15 The Council has reviewed its qualification spend to determine as much of that as possible that could be diverted to the levy pot spend. From April 2019 the apprenticeship pot will now be used to fund social worker apprenticeships in both Adults and Children Social Services and Occupational Therapists in Adults Social Services.
- 8.16 In April 2018 we had 56 current or active apprentices, 49 funded through the Levy. In April 2019 it was 106, with 95 funded through the levy. Take up remains lower than desired, particularly in Adults and Children's and in schools. A targeted campaign for social work apprenticeships is currently underway. A three year plan has been developed in conjunction with directorates, which is supported by an ongoing marketing campaign.

8.17 Agency Workforce:

8.18 Work was undertaken during 2018/19 to enable consideration in 2019/20 to ensure:

- Directors support the development and implementation of a consistently applied corporate policy and practice with regards to the hiring and management of Temporary Agency Workers (TAWs) across all categories of staffing (except schools);
- Definitions are established for different types of temporary resourcing; and process mapping (for each area) takes place so these are clearly identified and adhered to;
- A review of IR35 compliance (essentially the treatment of TAWs for tax and NI purposes) and new robust process mapping takes place to mitigate risk of falling foul of the Regulations;
- As much as possible we move any "off contract" TAWs and interims to "on contract" arrangements to achieve better value for money and oversight as a result;
- Introduction of a monthly Agency Dashboard for each Directorate summarising agency data against establishment, establishing projects within the council and identifying pressure points and key issues in each area. This will include the introduction of key market information; and
- Completion of an options appraisal for the future contract model to be implemented no later than September 2020.

8.19 In 2018/19 the cost of agency workers reduced by £1.2m and accounts now for 4.8% of the total workforce costs (permanent, agency workers through the Manpower contract and casual staff). This was 5.6% in 2017/18. This is despite our success in moving workers previously paid outside (off) these contract arrangements (and accounted for differently) in to the Manpower contract.

9 PRIORITY 6: SAFETY, HEALTH AND WELLBEING:

9.1 During 2018/19 our intention was to:

- Undertake a review and action planning following completion of 'critical friend' review in to our Health and Safety arrangements;
- Further consideration for how to assess whether all sickness absence is being captured/recorded; and
- Further analysis of the mental health related absences in Adult and Children Social Services.

9.2 Based on analysis the areas of concern and priorities for 2019/20 are therefore:

- Determining Council agreement and action for future Health and Safety target operating model and address the current fragmented approach;
- Taking assertive and timely action to complete and follow-up with action plan implementation of risk profiling and assessments ensuring prioritisation is given to Business Units and Teams in Children's Social Services, Adult Social Services, Highways Transport and Planning and

- Environment and Public Protection;
- Determining measures to prevent or reduce incidents of (a) inappropriate behaviour and (b) falls which are the highest incident categories for both non schools and schools services;
- Addressing sickness absence across the organisation including implementing increased scrutiny and support via sickness case management panels to ensure regular monitoring and tracking of sickness absence; reviewing the current Occupational Health service provision in order to explore opportunities to better enable effective management of absence; and identifying areas where sickness absence is being under reported;
- Determine a plan for addressing mental health and wellbeing to include mental health first aid. A mental health first aid dual pilot with WSFRS and Children's Social Workers; and
- Develop a governance structure and arrangements for Health & Safety in schools.

9.3 Critical review of Health and Safety:

- 9.4 Work was undertaken during 2018/19 to enable consideration now in 2019/20 to be taken to:
- Address the fragmented approach to Health and Safety by using risk profiling;
 - Review the current service delivery model to achieve a Health and Safety service which is more responsive to the changing needs of the Council (the 'vision'); and
 - Review the Health and Safety Policy Statement to ensure it is up to date as it is a legal requirement and a main contributor to demonstrating and communicating commitment to a safety management culture.
- 9.5 Since May 2018 significant work has been undertaken with a thorough review of intended Health and Safety outcomes (long, medium and short term) and a range of interventions undertaken to assess and improve current performance. These include (along with implementation status):
- **Green status:** The Internal Audit Report has been signed off by the Chief Executive. Key issues identified are being addressed as the interventions and outcomes strategy progresses.
 - **Amber status:** The health and safety 'Heat Map of Risk' identified a fragmented approach. High risk areas with no service assurance were identified and 'deep dives' undertaken on these areas. Action plans have been created and specific focused support is now being implemented to achieve compliance with these action plans. Deep dives will be undertaken on the areas shown on the heat map as medium and low risk service assurance in 2019/20.
 - **Green status:** A 'Critical friend' review report by Kent County Council was received July 2018. Key issues have already been identified and are being addressed.
 - **Red status:** A draft proposal for the re-design of the Capita Health and Safety service target operating model has been developed in

consultation with Capita but has not yet formally been agreed by the Council as the future service delivery model.

- **Green status:** Closer work has started on the joint and parallel approach to align Health and Safety risk management across the Council including collaboration with colleagues in Public Health.
- **Amber status:** A new corporate governance structure is now in place, Health and Safety policy is being reviewed; and a risk based approach is being adopted to identify priorities and focus effort on these areas whilst still ensuring lower risk areas remain safe. A further aid, and proposals, to ensure legislative compliance would be the development of an interactional online audit tool that enables instant visibility of live data to a wide audience and this is being progressed.
- **Green status:** Common plans and special plans are being phased out as risk profiling action plans are created and plans put in place to address the identified actions within directorates and business units.
- **Amber status:** Indicators and performance measures are currently in place for Capita to deliver the Health and Safety service. As the interventions and outcomes strategy is developed additional performance measures will be put in place for the Council.
- **Green status:** Initial work on training needs analysis has started and e-learning courses being commissioned through Learning and Development
- **Green status:** A communications and engagement plan has been developed and pages on 'The Point' have been refreshed.

9.6 **Reporting of Injuries Diseases and Dangerous Occurrences Regulations (RIDDOR) reporting to the Health and Safety Executive (HSE):**

9.7 Only 9 of the 1,192 non-schools incidents in 2018/19 met the criteria to report to the HSE in accordance with RIDDOR compared with 11 in the previous year 2017/18. The HSE were happy with the action taken by the Council and decided that no intervention was needed.

9.8 The following top five causes account for 312 of the 1,192 incidents in a non-schools environment. Of these:

- 205 inappropriate behaviour
- 31 handling people
- 29 handling objects
- 24 trips
- 23 unknown cause

Unknown cause category was removed as a primary cause at the end of August 2018. All incident reports now need a specific primary cause to be selected in order to ensure appropriate action can be implemented by the organisation.

- 9.9 Research into the 205 inappropriate behaviour incidents (non- schools) indicates that these incidents are clustered around Adults and Children Social Services and the Library Service. Incidents involve members of staff working with customers/supporting people who have emotional, learning and behavioural difficulties or people with mental health issues or issues around drugs and/or alcohol as well as those in deprived circumstances e.g. homeless. Consideration will now be given to what measures are being taken to prevent/reduce such incidents in the future.
- 9.10 Research into the handling of people and objects incidents indicates the majority of these incidents come from Adults and Children Social Services. Incidents involve members of staff who provide support services to people who need assistance with moving. Specialist moving and handling equipment such as slings and hoists are used to assist with transfers. The trip incidents are caused generally due to lack of care or inattention in Council owned premises, public places and people being supported in homes. Consideration will now be given to what measures are being taken to prevent / reduce such incidents in the future.
- 9.11 **Assessing whether all sickness absence is recorded:**
- 9.12 There is concern that sickness absence is not effectively reported across the organisation. This includes the reasons for absence, as well as effectively recording all instances of absence. As part of the work to improve the management and monitoring of absences, the recording of absence will be reviewed within service areas, and activity will be undertaken to promote and clarify processes for recording and reporting absences.
- 9.13 **Review long term sickness absence and effective management:**
- 9.14 In 2017/18 there were 618 incidents (519 employees) of long term absence (i.e. of more than 21 calendar days) of which 92 were being formally managed. In 2018/19 there were 676 incidents (573 employees), latest KPI data says 189 cases were formally managed.
- 9.15 Irregular/repeated sickness absence is calculated using the number of spells of absence in a 52 week period and the number of days absent in the same period. Sickness absence management activity consideration should take place where an individual's absence reaches the level of either 4 absences of any length in 4 months, or 8 or more calendar days in 12 months. During 2017/18, there were 29 formal cases involving patterns of irregular attendance, this increased to 30 in 2018/19.
- 9.16 **Mental Health related absence in Adults and Children Social Services:**
- 9.17 We will introduce secondary trauma support for workers.
- 9.18 Children Social Services have been selected to take part in a 6 month trial of an approach known as Schwartz Rounds, which aim to support staff well-being, build empathy and compassion and improve the quality of care.

- 9.19 In collaboration with colleagues in Public Health plans are being put in place to procure a health and wellbeing needs assessment survey during 2019/20. The results will enable:
- Workplace health activities to be prioritised and targeted approach to those who most need them
 - Inform the development of a targeted council wide health and wellbeing strategy and focus group
 - Support the development of council wide health and wellbeing champions (outside of Public Health)

10 Appendix

- 10.1 Set out in the attached appendix are the detailed KPIs for the service which have been reported on during the year via the TPM.
- 10.2 Workforce KPIs Annual Outturn Report.

This page is intentionally left blank

Indicator	West Sussex County Council				Adults Services	Children & Family Services	Children, Adults, Families, Health & Education		Fire & Rescue Service	Communities & Public Protection		Economy, Infrastructure & Environment		Chief Executive's Department		
	2018/19	2017/18	Change since 2017/18	Target 19/20	2018/19	2018/19	2018/19	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	
Culture & Values																
Cultural journey & Staff participation (Pulse Survey)	Response rate	20%	29%	↓ -9% R	50%	13%	10%	13%	22%	Cannot disaggregate data for FRS	17%	33%	32%	31%	52%	56%
	Percentage of all questions that achieved a 'positive score' (i.e. combined total of 75% for 'Sometimes' & 'Always')	71%	Different set of questions	N/A	50%	53%	47%	59%	Different set of questions	41	65	Different set of questions	47	Different set of questions	71	Different set of questions
	I believe I am able to contribute my views before changes are made which affect me	51%	Question not asked	N/A		48%	37%	46%	Question not asked	46%	51%	Question not asked	49%	Question not asked	59%	Question not asked
	My Manager asks for my ideas and suggestions for improvements	75%	Question not asked	N/A		70%	72%	73%	Question not asked	84%	80%	Question not asked	69%	Question not asked	80%	Question not asked
Staff recognition	Thank yous	579	137	↑ 442 G	250/quarter	164	76	300	45	6	65	15	80	36	134	41
	Award nominations	376	25	↑ 351 G	80/quarter	147	92	252	16	2	48	1	28	6	48	2
Staff speaking up if values not lived	Positive response to the staff survey question "I think it is safe to speak up and challenge the way things are done in WSCC"	35%			75%	35%	36%	36%		26%	30%		38%		33%	
Staff role modelling our values	Appraisal rating 'good' or 'exceptional'	81%	37%	↑ 45% G	95%	73%	75%	77%	37%	78%	85%	35%	84%	29%	90%	44%
Leadership team stability	Percentage of filled SMG posts	89%	91%	→ -2% A	95%	75%	50%	71%	86%	100%	100%	100%	50%	100%	93%	91%
Change & Engagement																
Staff participation	Staff survey response rate	44%				40%	41%	41%		32%	40%		44%		74%	
Level of staff engagement	Staff satisfaction measure	56%			Top 50% of LAs	58%	56%	57%		42%	52%		53%		58%	
Staff Survey	Positive response "I have clear, measurable work objectives"	74%			75%	72%	76%	74%		69%	78%		79%		68%	
	Positive response "During my last appraisal conversation my manager helped me to focus on improving my performance"	52%			70%	54%	55%	54%		45%	50%		46%		50%	
	Positive response to 'Trust and Support'	69%			N/A	64%	71%	68%		54%	70%		69%		71%	
	Positive response to 'Listen and Act'	58%			N/A	55%	57%	56%		51%	58%		61%		62%	
	Positive response to 'Honest and Realistic'	52%			N/A	51%	51%	52%		37%	48%		55%		52%	
	Positive response to 'Genuinely Valued'	63%			N/A	61%	63%	63%		56%	64%		61%		66%	
	Positive response to 'Customer Centred'	58%			N/A	58%	59%	58%		29%	56%		58%		60%	
Staff ideas	Ideas generated through our big ideas platform	49	3	↑ 46 G	20/quarter	9	7	17	1	1	12	1	10	1	10	0
	% Ideas approved	39%	0%	↑ 39% G	75%	56%	71%	65%	0%	100%	58%	0%	40%	0%	60%	0%
Resourcing & Talent																
Employed workforce	Total Headcount (total number of people employed over reporting period)	5,765	5,684	↑ 81	N/A	1,207	1,729	3,336	3,278	1,031	1,226	1,236	713	751	918	727
	Active Headcount (number of people employed on 28th of last month of reporting period)	5,152	5,089	↑ 63	N/A	1,061	1,493	2,957	2,916	695	1,192	1,184	637	621	461	452
	Active FTE (on 28th of last month of reporting period)	4,526	4,438	↑ 87.5	N/A	903.6	1,309.4	2,539.6	2,475.0	697.4	1,070.4	1,066.7	491.0	476.7	428.8	419.8
	Employee paybill (including on costs and casuals, excluding agency and schools)	£186,324,671	£177,571,210	↑ £8,753,461	N/A	£40,581,394	£52,843,810	£107,135,487	£102,281,253	£17,175,217	£34,090,040	£33,711,209	£19,294,165	£19,077,083	£25,804,979	£22,501,665
Casuals (number of casuals on payroll, not necessarily Agency (Manpower))	Headcount	882	843	↑ 39	N/A	150	298	463	456	10	236	225	131	140	23	10
	Social Care Casual Bank Starters	11			100	3	8	11	0	0	0	0	0	0	0	0
	Casual % total workforce	12.3%	11.7%	↑ 0.6%	N/A	9.5%	13.0%	10.9%	10.6%	1.0%	16.0%	15.1%	14.9%	15.0%	2.4%	1.2%
	Headcount	531	692	↓ -161	N/A	226	257	449	560		16	25	38	43	34	83
	Contract spend	£9,379,094	£10,589,851	↓ -£1,210,757 G	Reduction of £0.5m since previous year	£2,772,661	£4,937,940	£8,004,773	£8,656,285	Cannot disaggregate data for FRS	£230,443	£173,045	£649,147	£813,513	£494,731	£947,009
	Manpower % total workforce	7.4%	9.6%	↓ -2.2%	N/A	14.3%	11.3%	10.6%	13.0%		1.1%	1.7%	4.3%	4.6%	3.5%	10.1%
Total workforce (excluding other agencies and off-payroll)	Headcount	7,178	7,219	↓ -41	N/A	1,583	2,284	4,248	4,294	1,041	1,478	1,486	882	934	975	820
Apprenticeships	Amount in apprenticeship levy pot	£3,139,061	£1,587,768	↑ £1,551,293	N/A											
	Amount of apprenticeship levy spent	£133,670	£10,632	↑ £123,038	No target											
	Number of apprentices	65	20	↑ 45 G	No target	9	1	15		13		10		27		
	Percentage of employed workforce	1.3%	0.4%	↑ 0.9% G	2.4%	0.8%	0.1%	0.5%		1.1%		1.6%		5.9%		
	Number of new apprenticeships started (cumulative since start of the year)	48	19	↑ 29 G	130											
Age profile	% of workforce under age 35	22%	20%	↑ 2%	N/A	20%	27%	22%	20%	19%	31%	23%	11%	10%	15%	17%
Recruitment	Number of starters	809	682	↑ 127	N/A	116	298	472	591	58	128	111	98	85	76	87
Retention	Number of leavers	824	633	↑ 191	N/A	137	275	459	383	62	135	145	89	88	74	68
Staff turnover	Rolling 12 month turnover rate	12.4%	9.7%	↑ 2.7% R	Between 8-15% (rolling 12 month target)	10.1%	13.6%	12.1%	10.3%	6.0%	9.2%	9.9%	10.5%	9.9%	7.9%	9.2%
* Bulk upload																
Performance & Skill																
Manager performance	Manager appraisal response rates	73.1%	65.0%	↑ 8.1% G	100.0%	70.0%	54.1%	63.1%	59.0%	38.46%*	87.8%	82.0%	91.7%	80.0%	86.8%	62.0%
completing appraisals	Appraisals with completed summary statements	62.5%	65.9%	↓ -3.3% R	100.0%	62.9%	50.6%	59.0%	59.8%	56.3%	72.3%	82.4%	54.3%	72.8%	75.3%	63.3%
Staff performance 2017/18 (of those for whom an appraisal was submitted)	Exceptional performance		2.3%		95.0%				2.0%			2.9%		2.0%	2.8%	
	Good performance		34.2%						35.2%			32.1%		27.2%	41.7%	
	Satisfactory performance		44.8%		N/A				40.1%			50.7%		55.0%	46.2%	
	Improvement required		18.7%		0.0%				22.7%			14.3%		15.9%	9.3%	
Staff performance 2018/19 (of those for whom an appraisal was submitted by the deadline for this KPI)	Exceptional performance	3.3%			95.0%	4.1%	4.1%	4.0%		3.8%	3.0%		1.5%		2.9%	
	Good performance	77.9%				68.8%	71.0%	73.5%		74.5%	81.6%		82.3%		87.6%	
	Improvement needed	17.2%			N/A	24.6%	23.1%	20.7%		18.6%	13.8%		15.7%		9.0%	
	Unsatisfactory performance	1.5%			0.0%	2.6%	1.9%	1.9%		3.2%	1.6%		0.6%		0.6%	
Training & development	Staff induction completion rates	59%	47%	↑ 12%	90%	55%	50%	56%	35%	Data not available	67%	60%	70%	61%	61%	63%
	Percentage of 'did not attend' at booked training sessions	12%	14%	↓ -2% G	5%	11%	14%	12%	15%		7%	7%	6%	8%	5%	12%
	Percentage of short notice (1-10 day) cancellations for booked training sessions	10%	10%	→ 0% G	5%	11%	11%	11%	10%		4%	6%	9%	9%	11%	13%
Employee relations	Suspensions	3	4	↓ -1	N/A	1	1	2	3	1	1	1	0	0	0	0
	Dismissals (exc redundancy ie ER)	5	13	↓ -8	N/A	1	4	5	9	0	0	2	0	2	0	0
	Staff Appeals panel: upheld	0	1	↓ -1 G	N/A	0	0	0	0	0	0	0	0	0	0	0
	Staff Appeals panel: rejected	0	2	↓ -2 G	N/A	0	0	0	0	0	0	0	0	0	0	0

Indicator	West Sussex County Council				Adults Services	Children & Family Services	Children, Adults, Families, Health & Education		Fire & Rescue Service	Communities & Public Protection		Economy, Infrastructure & Environment		Chief Executive's Department		
	2018/19	2017/18	Change since 2017/18	Target 19/20	2018/19	2018/19	2018/19	2017/18	2018/19	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	
Employee grievances	24	42	↓ -18 G	N/A	9	7	16	23	3	4	10	2	6	2	3	
Disciplinary cases	86	90	↓ -4 G	N/A	18	47	67	65	10	13	14	6	10	0	14	
Formal capability (performance)	50	44	↑ 6 R	N/A	5	26	35	33	6	6	7	1	3	8	1	
Formal capability (health)	14	26	↓ -12 G	N/A	3	2	5	15	7	7	11	2	0	0	0	
Employment tribunals	2	5	↓ -3 G	N/A	1	1	2	3	0	0	1	0	0	0	1	
Health, Safety & Wellbeing																
Level of sickness absence (May retrospectively)	Sick days lost (calendar days lost)	63,476	64,836	↓ -1,360 G	N/A	17,244	22,245	42,519	43,293	7,060	11,688	12,417	6,065	6,500	2,704	3,126
	Average sick days per FTE	12.3	12.7	↓ -0.4 G	TBC	16.3	14.9	14.4	14.8	10.2	9.8	10.5	9.5	10.5	5.9	6.9
Short term sickness absence (less than 21 calendar days)	Number of calendar days lost	21,116	22,785	↓ -1,669 G	N/A	6,171	6,073	13,267	14,168	2,530	4,603	5,316	1,700	1,833	1,546	1,468
	Top reason for short term absence	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu		N/A	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu	Unknown	Unknown	Unknown	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu	Respiratory, Cough, Cold, Flu
Long term sickness absence (more than 21 calendar days) - see Note below	Number of calendar days lost	42,360	42,051	→ 309 A	N/A	11,073	16,172	29,252	29,125	4,530	7,085	7,101	4,365	4,667	1,158	1,658
	Top reason for long term absence	Anxiety, Stress, Depression, Mental Health	Musculoskeletal, Fractures, Injury, Surgery		N/A	Anxiety, Stress, Depression, Mental Health	Anxiety, Stress, Depression, Mental Health	Anxiety, Stress, Depression, Mental Health	Anxiety, Stress, Depression, Mental Health	Musculoskeletal, Fractures, Injury, Surgery	Musculoskeletal, Fractures, Injury, Surgery	Musculoskeletal, Fractures, Injury, Surgery	Musculoskeletal, Fractures, Injury, Surgery	Musculoskeletal, Fractures, Injury, Surgery	Musculoskeletal, Fractures, Injury, Surgery	Anxiety, Stress, Depression, Mental Health
Employee relations (Formal sickness mgmt)	Formal management: long term sickness	189	92	↑ 97 A	N/A	41	74	122	68	14	27	14	27	9	13	1
	Formal management: irregular absence	30	29	↑ 1 A	N/A	9	16	25	24	0	4	3	1	1	0	1
RIDDOR incidents (reported to the HSE)	Violence at work	2	3	↓ -1 G	N/A	1	1	2	3	0	0	0	0	0	0	0
	Accident	4	5	↓ -1 G	N/A	2	0	2	3	0	0	0	2	1	0	1
	Dangerous occurrence	0	1	↓ -1 G	N/A	0	0	0	0	0	0	0	0	1	0	0
	Total RIDDORs reported to HSE	6	9	↓ -3 G	N/A	3	1	4	6	0	0	0	2	2	0	1
Non-RIDDOR incidents	Violence at work	228	276	↓ -48 G	N/A	95	121	218	252	0	5	18	5	6	0	0
	Accident	178	171	↑ 7 R	N/A	73	52	128	111	51	21	32	26	22	3	6
	Near miss	108	114	↓ -6 G	N/A	44	13	57	79	50	21	29	29	12	1	0
	Dangerous occurrence	0	1	↓ -1 A	N/A	0	0	0	1	0	0	0	0	0	0	0
	Work related disease	0	0	→ 0 A	N/A	0	0	0	0	0	0	0	0	0	0	0
	Total non-RIDDORS	514	562	↓ -48 G	N/A	212	186	403	443	101	47	73	60	40	4	6
Inclusion																
Workforce profile	Declared Disabled %	2.2%	2.6%	↓ -0.4%	3.0%	2.7%	2.3%	2.2%	2.5%	2.2%	1.8%	2.3%	2.9%	2.9%	2.6%	3.0%
	Declared Female %	68.0%	67.5%	↑ 0.6%	TBC	82.1%	82.8%	82.5%	82.0%	12.7%	42.6%	41.4%	44.0%	47.5%	67.9%	68.5%
	Declared BAME %	2.4%	2.5%	↓ -0.1%	6.40%	3.4%	3.5%	3.2%	3.3%	0.3%	0.7%	0.7%	1.6%	1.7%	1.9%	2.6%
	Declared LGBT %	0.8%	0.8%	→ 0.0%	N/A	0.8%	0.7%	0.8%	0.9%	0.7%	0.9%	0.8%	0.4%	0.6%	0.6%	0.6%
Non-disclosure rates (field left blank - data gap due to process problems)	Disability non-disclosure %	62.5%	59.3%	↑ 3.2% R	To Stay Stable	71.6%	68.8%	69.7%	66.2%	44.2%	51.7%	50.3%	54.0%	52.2%	52.7%	48.1%
	Ethnicity non-disclosure %	37.6%	32.9%	↑ 4.7% R	To Stay Stable	37.3%	40.3%	41.9%	36.4%	28.3%	30.8%	27.9%	30.7%	27.6%	35.3%	31.2%
	Sexual orientation non-disclosure %	66.9%	63.8%	↑ 3.1% R	To Stay Stable	75.7%	74.6%	75.1%	71.9%	45.6%	53.6%	52.1%	60.2%	58.7%	53.8%	49.4%
	Religion or belief non-disclosure %	77.4%	74.9%	↑ 2.5% R	To Stay Stable	86.7%	85.7%	85.9%	84.2%	51.2%	62.1%	59.0%	69.4%	67.2%	68.8%	65.9%
Grade distribution (based on equivalent salaries)	NJC Grades 1-6 inclusive	27.4%	28.6%	↓ -1.2%	N/A	34.7%	19.4%	25.1%	27.8%	4.0%	28.1%	27.5%	44.9%	44.1%	11.3%	0.0%
	NJC Grades 7-12A	61.9%	61.7%	↑ 0.2%	N/A	59.6%	69.9%	63.6%	63.2%	84.3%	62.8%	63.9%	45.5%	45.9%	58.8%	56.6%
	HAY	9.8%	8.4%	↑ 1.4%	N/A	5.7%	10.1%	10.2%	7.7%	0.3%	2.1%	2.2%	8.8%	8.9%	25.8%	26.8%
	SMG	0.9%	0.9%	↓ -0.1%	N/A	0.3%	0.2%	0.4%	0.4%	1.7%	1.3%	1.4%	0.5%	0.6%	3.3%	3.1%
Quality standard benchmarking	ENEI TIDE ranking (previously called ENEI eQuality)	Bronze	Bronze		TBC											
	Stonewall Workplace Equality Index ranking	Did not participate	Did not participate		TBC											
Flexible working	Number of employees who are part-time	2255	2272	↓ -17	N/A	579	665	1466	1478	23	326	335	329	378	138	144
	Percentage of employees who are part-time	39.1%	40.0%	↓ -0.9%	N/A	48.0%	38.5%	43.9%	45.1%	2.2%	26.6%	27.1%	46.1%	50.3%	15.0%	19.8%
	Percentage of part time workers who are female	86.1%	85.8%	↑ 0.3%	N/A	87.8%	90.2%	89.6%	90.5%	71.4%	89.2%	89.6%	58.8%	59.2%	88.7%	91.5%
	Percentage of part time workers who are male	14.0%	14.2%	↓ -0.2%	N/A	10.5%	7.1%	8.4%	9.5%	28.6%	10.8%	10.4%	40.8%	40.8%	7.8%	8.5%

Note - Long term sickness absence:
 • 2017/18: 618 incidents (519 employees) - 92 (15%) formally case managed
 • 2018/19: 676 incidents (573 employees) - 189 (28%) formally case managed

Performance and Finance Select Committee
12 July 2019
Treasury Management Annual Report 2018/19
Report by Director of Finance and Support Services

Executive Summary

The Council is required by regulations issued under the Local Government Act 2003 to review an annual treasury management report detailing borrowing and investment activity (*as compared with the approved Treasury Management Strategy*) and actual prudential and treasury indicators for 2018/19 (*as contained within the approved Budget Report*). The attached report meets the requirements of both the Chartered Institute of Public Finance and Accountancy (CIPFA) "Code of Practice on Treasury Management" (the Code) and the CIPFA "Prudential Code for Capital Finance in Local Authorities" (the Prudential Code).

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. The annual treasury management report is therefore important in that it provides details of the outturn position for treasury activities and highlights compliance with policies previously approved by County Council. Additionally, the Treasury Management Panel has reviewed the content of the annual report before submission to PFSC.

Treasury Management Strategy (2018/19)

The Council has substantial amounts of borrowings and investments and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The Council's risk procedures regarding its treasury management activities focus on the unpredictability of financial markets and implementing restrictions to minimise these risks. Additionally, the Council has regard to the Ministry for Housing, Communities and Local Government's (MHCLG) "Investment Guidance" that:

- Emphasises the need for investments to focus on security and liquidity, rather than yield;
- Recommends that treasury management strategies include details of assessing credit risk;
- Details reasons for borrowing in advance of need (if appropriate); and
- Details the use of treasury management advisors in undertaking treasury management activities.

Financial risks (including credit and liquidity risks) are minimised through compliance with the annual Treasury Management Strategy, which incorporates the prudential and treasury indicators, approved for 2018/19 by County Council in December 2017. During 2018/19 the Council complied with all statutory and regulatory requirements which require officers to identify and where possible

quantify the levels of risk associated with its treasury management activities.

The Council confirms the following borrowing and investment activity in 2018/19:

- Borrowing: The Council continued to fund 2018/19 capital expenditure (core programme and income generating initiatives) through the use of internal resources in lieu of external borrowing ("internal borrowing"). £7m (plus interest) was however repaid to the PWLB as per the terms and conditions of the £70m borrowing taken during April 2011. At 31 March 2019 the Council's PWLB borrowing (external borrowing for capital purposes) was £388.9m (£395.9m at 31 March 2018). Interest payable to PWLB during 2018/19 was £17.8m at an average rate of 4.56%.
- Given the significant borrowing requirement set out in the approved capital programme (up to March 2024) the Council, together with its treasury management advisor (Link Asset Services), is in the process of evaluating the benefits of forward starting commercial loans as an alternative borrowing source to PWLB debt. For such commercial loans borrowing rates are agreed in context with current rates, but funds are drawdown in future periods (typically two to three years), thereby mitigating short-term revenue pressures arising from the differential between borrowing costs incurred and the returns generated on the Council's investments. As at 31 March 2019 however, no such forward starting loans had been approved.
- Additionally, the Council's treasury management strategy allows occasional short-term borrowing to cover day-to-day cash flow shortages. During 2018/19 such occasions were funded either by way of overdraft facilities in place with the Council's main provider of banking services (Lloyds Bank Plc) or met from balances held in the Council's instant access bank accounts and short-term Money Market Funds.
- Investments: The Council's investment strategy was maintained by following the approved counterparty policy as set out in its Treasury Management Strategy for 2018/19. Security of capital remained the primary objective for all of the Council's internally managed investments. The Director of Finance and Support Services confirms however that during 2018/19 the monetary exposure limit approved for total investments held in short-term Money Market Funds was exceeded for one day; with corrective action being taken on the next working day. Full details were reported to both RAAC on 23 July 2018 ("*Treasury Management First Quarter Compliance Report*") and to PFSC on 22 November 2018 ("*Treasury Management Mid-Year Review*").
- Externally managed investments (pooled funds) continued to be approved to help mitigate the effects of low investment returns. In accordance with this investment strategy, and following a risk appraisal undertaken in conjunction with Link Asset Services during the first half of 2018/19, the Council invested in additional property and multi-asset income funds thereby increasing its long-term investment exposure to such externally managed pooled funds.
- At 31 March 2019 the Council's investments totalled £204.8m (£253.7m at 31 March 2018). Gross investment interest received during 2018/19 was £3.0m, representing a return of 1.09% on an average investment portfolio of £278.6m.

WSCC Average Investments	2017/18		2018/19	
	£'m	%	£'m	%
UK Banks: Unsecured Deposits	88.6	30.4	57.1	20.5
UK Banks: Secured Deposits	13.4	4.6	8.2	2.9
Non-UK Banks: Unsecured	44.4	15.3	45.4	16.3
Non-Bank Corporates	3.7	1.3	2.2	0.8
Local Authority	59.3	20.4	59.3	21.3
Money Market Funds	56.6	19.4	68.5	24.6
Externally Managed Pooled Funds	25.0	8.6	37.9	13.6
Total	291.0	100.0	278.6	100.0

Focus for scrutiny

The Committee is asked to review and comment on the treasury management annual report 2018/19.

Treasury Management Annual Report (2018/19)

1. Introduction

1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and report on the actual prudential and treasury indicators for 2018/19. This regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report therefore summarises the following:

- UK economic overview and interest rate movements during 2018/19 (*Section 2*)
- Capital activity during 2018/19 (*Section 3*)
- The Council's overall treasury position (*Section 4*)
- Borrowing activity during the year (*Section 5*)
- Activity of treasury investments made under statutory "power to invest" provisions granted to the Council by the Local Government Act 2003 (*Section 6*)
- Actual performance of treasury investments as compared with budgeted returns (*Section 7*)
- A schedule of non-treasury investments (*Section 8*)
- The actual prudential and treasury indicators (*Appendix a*)
- A list of the Council's treasury investments as at 31 March 2019 (*Appendix b*)

1.2 The Council's Treasury Management Strategy for 2018/19, originally approved by County Council on 15 December 2017, can be accessed on: <http://www2.westsussex.gov.uk/ds/cttee/cc/cc151217i6f.pdf>

2. UK Economy and Interest Rates

- 2.1 After weak UK economic growth of only 0.1% during the first quarter of 2018, growth subsequently picked up to 0.4% in the second quarter and to a particularly strong 0.7% in the third quarter, before cooling off to 0.2% in the final quarter of 2018. Given ongoing uncertainties regarding Brexit the weak growth reported during the quarter ending 31 December 2018 was to be expected, however some recovery in the rate of growth was forecast going forward (growth is estimated to have risen back to 0.5% during the first quarter of 2019). Annual Gross Domestic Product (GDP) of 1.4% throughout 2018 confirmed the UK as the third fastest growing country in the G7 (Canada, France, Germany, Italy, Japan, the UK and the US).
- 2.2 UK Consumer Price Index (CPI) inflation had been on a falling trend since peaking at 3.1% in November 2017, reaching a low of 1.8% in January 2019 before rising marginally to 1.9% in February and March 2019 (CPI averaging 2.27% throughout 2018/19). Forecasts published within the Bank of England's February 2019 Inflation Report indicated that over both the two and three year horizons CPI will remain marginally above the MPC's 2% target rate. Concerns remain however in the rising trend in UK wage inflation which peaked at a new post financial crisis high of 3.5% (excluding bonuses) in the three months to December 2018, before falling marginally to 3.3% in the three months to March 2019. British employers ramped up their hiring at the fastest pace in more than three years as the UK labour market defied the broader weakness in the overall economy as Brexit approached, pushing down the UK unemployment rate to 3.8% by the end of March 2019 (its lowest rate since December 1974).
- 2.3 Against this economic background the Bank of England's Monetary Policy Committee (MPC) raised the UK Bank Rate from 0.5% to 0.75% in August 2018, however it came as little surprise that they abstained from any further increases during the remainder of 2018/19. It remains unlikely that the MPC will take any further action until the uncertainties over Brexit become clear; the next shift in Bank Rate is dependent on the type of exit from the European Union the UK finally delivers.
- 2.4 Investment Rates: Short-term investment returns (up to 12-month durations) remained low throughout 2018/19. The expectation for interest rates within the Council's 2018/19 treasury management strategy was that the Bank Rate would rise from 0.5% to 0.75% during the third quarter of 2018/19 (one quarter later than the actual change). Up to 31 July 2018 investment rates were on a gently rising trend in anticipation that the Bank of England would raise the Bank Rate in August 2018. It was not expected that the MPC would raise rates again in 2018/19 (given Brexit uncertainties) and accordingly investment rates were changed little between August and October 2018. Three to twelve month investment rates however rose sharply after the November 2018 MPC meeting was unexpectedly hawkish about the perception of building inflationary pressures, particularly from rising wages. Weak GDP growth data for December, plus increasing concerns generated by Brexit, resulted in these rates falling back again; as evidenced by the London Interbank Bid Rates (LIBID) in the table below:

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	1-year LIBID
01/04/2018	0.50	0.35	0.36	0.39	0.59	0.70	0.88
30/04/2018	0.50	0.35	0.37	0.39	0.59	0.68	0.85
31/05/2018	0.50	0.35	0.36	0.37	0.49	0.59	0.76
30/06/2018	0.50	0.34	0.36	0.38	0.55	0.66	0.84
31/07/2018	0.50	0.33	0.50	0.56	0.67	0.78	0.93
31/08/2018	0.75	0.58	0.58	0.60	0.68	0.77	0.92
30/09/2018	0.75	0.58	0.59	0.60	0.68	0.78	0.94
31/10/2018	0.75	0.57	0.59	0.60	0.69	0.80	0.93
30/11/2018	0.75	0.56	0.58	0.61	0.77	0.89	1.02
31/12/2018	0.75	0.55	0.58	0.61	0.79	0.91	1.05
31/01/2019	0.75	0.55	0.58	0.61	0.79	0.90	1.04
28/02/2019	0.75	0.55	0.57	0.60	0.73	0.87	1.01
31/03/2019	0.75	0.55	0.57	0.61	0.72	0.83	0.94
Minimum	0.50	0.33	0.35	0.37	0.48	0.59	0.75
Average	0.67	0.49	0.51	0.54	0.68	0.79	0.94
Maximum	0.75	0.58	0.59	0.61	0.81	0.92	1.06

2.5 **Borrowing Rates:** During 2018/19 there was a significant correlation between movements in US Treasury yields and UK Gilt yields, which determine Public Works Loan Board (PWLB) borrowing rates. The US Federal Reserve (the Fed) increased the Fed Rate four times in 2018 (to reach 2.25%-2.50% in December 2018) and gave further guidance that rates could rise by another 1% in the current cycle, causing US Treasury yields to also move up. By the end of December however, financial markets considered that the Fed had gone too far and discounted expectations for further increases; a sharp fall in US Treasury yields has been evident in the first quarter of 2019.

2.6 Regarding PWLB rates in particular, since peaking in October 2018 rates have been on a general downward trend and whilst longer-term rates did spike upwards again in late November and early December, they had fallen back to lows for 2018/19 by late March 2019; as evidenced in the table below (new PWLB maturity loan rates adjusted for 0.20% certainty rate discount available to UK local authorities):

Date	PWLB Notice	1-Year PWLB	5-Year PWLB	10-Year PWLB	20-Year PWLB	25-Year PWLB	50-Year PWLB
01/04/2018	127/18	1.47	1.85	2.23	2.55	2.57	2.29
30/04/2018	167/18	1.43	1.86	2.31	2.66	2.69	2.43
31/05/2018	209/18	1.30	1.71	2.16	2.54	2.56	2.29
30/06/2018	251/18	1.40	1.77	2.18	2.55	2.58	2.35
31/07/2018	295/18	1.46	1.84	2.24	2.60	2.63	2.41
31/08/2018	339/18	1.49	1.83	2.22	2.60	2.63	2.42
30/09/2018	380/18	1.55	1.93	2.33	2.71	2.74	2.56
31/10/2018	426/18	1.52	1.81	2.22	2.65	2.69	2.55

30/11/2018	470/18		1.53	1.73	2.15	2.78	2.87	2.74
31/12/2018	507/18		1.53	1.70	2.08	2.59	2.65	2.50
31/01/2019	044/19		1.54	1.70	2.05	2.51	2.56	2.42
28/02/2019	085/19		1.59	1.76	2.10	2.59	2.64	2.49
31/03/2019	127/19		1.48	1.55	1.85	2.35	2.40	2.23
Minimum			1.28	1.50	1.80	2.28	2.33	2.16
Average			1.50	1.80	2.20	2.61	2.66	2.47
Maximum			1.64	2.07	2.50	2.89	2.93	2.79

3. Capital Expenditure and Financing

3.1 The Council undertakes capital expenditure on its long-term assets; additionally, the capital programme includes schemes aimed at generating income and promoting economic growth. These capital activities may either be:

- Financed immediately through the application of capital or revenue resources (including capital receipts, capital grants, external contributions and revenue contributions) which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need, which may be sourced either through external borrowing or internal borrowing (in lieu of external borrowing).

3.2 Actual capital expenditure and how this was financed in 2018/19 (as compared with the original capital budget approved in December 2017) is shown in the tables below:

	2018/19 Budget £'m	2018/19 Actual £'m
Core Programme	104.4	71.3
Income Generating Initiatives (including Bold Ideas)	31.6	42.6
Total Capital Expenditure	136.0	113.9

	2018/19 Budget £'m	2018/19 Actual £'m
Capital Receipts	-1.0	-6.8
Government Grants	-69.8	-40.0
External Contributions (including S106)	-9.7	-4.1
Revenue Contributions to capital outlay	-2.3	-4.7
Borrowing (unfinanced capital expenditure)	-53.2	-58.3
Total Financing	-136.0	-113.9

3.3 Actual capital expenditure forms one of the prudential indicators required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes. A full summary of the Council's prudential and treasury indicators (as approved

within 2018/19 treasury management strategy; and revised within the 2019/20 treasury management strategy) are reported at **Appendix a**.

4. Overall Treasury Position

- 4.1 Throughout 2018/19 the Council maintained a cautious approach in regard to its internally managed investments, whereby investments continued to be dominated by low counterparty risk considerations resulting in relatively low returns throughout the period; however increased exposure to longer-term externally managed (property and multi-asset income) pooled funds continued to help mitigate the effects of such low investment returns. Given the forecast for low investment returns, the treasury management strategy approved deferring external borrowing to future financial years thereby avoiding the additional cost of holding higher levels of investments (a continuation of the Council's internal borrowing strategy).
- 4.2 At the beginning and the end of 2018/19 the Council's actual treasury position (excluding borrowing by PFI and finance leases) was as follows:

	31/03/18 Actual £'m	31/03/19 Actual £'m
Borrowing Requirement	470.3	519.1
Less: Long-Term Debt (PWLB)	-395.9	-388.9
Less: Short-Term Debt (Non-PWLB) - <i>Paragraph 4.5</i>	-4.6	-4.9
Internal Borrowing	69.8	125.3
Total Investments	253.7	204.8

- 4.3 Total investments as reported in paragraph 4.2 (and throughout this report) differ slightly from the totals presented in the Council's Financial Statements. Tables contained within this Annual Report exclude technical accounting entries in accordance with UK Accounting Standards that require investments be shown inclusive of accrued interest and expected credit losses (where appropriate) on the Council's Balance Sheet.
- 4.4 The movement in the Council's internal borrowing during 2018/19 is detailed below:

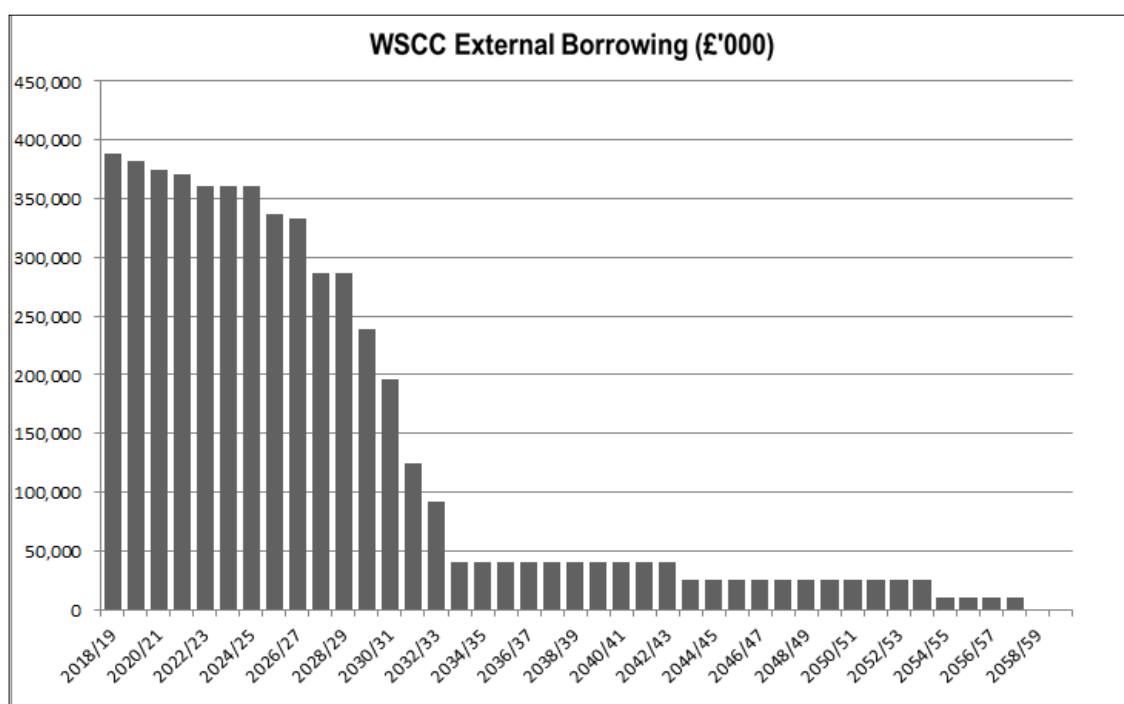
	£'m
Internal Borrowing (as 31 March 2018)	69.8
Capital expenditure (<i>to be funded through borrowing</i>)	58.3
Repayment of PWLB Debt (EIP Loans)	7.0
Change (increased) Short-Term Debt - <i>See paragraph 4.5</i>	-0.3
Revenue Provision for Repayment of Debt	-9.5
Internal Borrowing (as 31 March 2019)	125.3

- 4.5 Throughout 2018/19 the Council continued to hold cash on behalf of the Chichester Harbour Conservancy as part of the Harbour's own investment strategy. This is presented as short-term borrowing on the Council's Balance Sheet as the amount is available for repayment back on any given notice.

5. Borrowing

5.1 In accordance with the Council’s approved 2018/19 treasury management strategy no new external long-term borrowing for capital purposes was undertaken during 2018/19. £7.0m (plus interest) was however repaid to Public Works Loan Board (PWLB) relating to the £70m borrowing taken during April 2011.

5.2 As a consequence, the Council’s total external borrowing at 31 March 2019 (the funding of previous years’ capital programmes; all arranged via the PWLB) including the loan undertaken on behalf of the Littlehampton Harbour Board in March 2015 (all related costs recoverable from the Harbour Board) was £388.9m (£395.9m at 31 March 2018) with the following maturity profile:



5.3 Interest payable to the PWLB relating to the Council’s long-term borrowing amounted to £17.8m in 2018/19 (£18.1m in 2017/18) representing an average interest rate of 4.56%. If the Council had externalised its internal borrowing on 1 April 2018 (£125.3m; paragraphs 4.2 and 4.4) it is estimated that the additional revenue cost in 2018/19 relating to interest payments would have been £2.9m (based on a 50 year PWLB maturity loan at 2.29%; paragraph 2.6).

5.4 Given the significant borrowing requirement set out in the approved capital programme (up to March 2024) the Council is in the process of evaluating forward starting commercial loans as an alternative funding source to the PWLB. For such commercial loans the interest rate is agreed in advance (fixed in context with current rates) but the cash is received in later years. The arrangement of such debt will therefore enable certainty of cost to be achieved without suffering an investment ‘cost of carry’ in the intervening period. As at 31 March 2019 however, no such forward starting loans had been approved.

6. Investments (Treasury)

- 6.1 The Council's investment policy has regard to MHCLG guidance, and is implemented through the Council's "Annual Investment Strategy" (as contained within the approved 2018/19 Treasury Management Strategy); all treasury investments were made under statutory provisions granted to the Council by the Local Government Act 2003 (Section 12; 'Power to Invest').
- 6.2 MHCLG Investment Guidance governs that the security and liquidity of the Council's internally managed investments remained primary investment objectives. The Council's investment strategy therefore approved limits regarding the monetary amounts and time durations of deposits arranged with individual counterparties. Additionally the strategy required that internally managed investments were not made with organisations unless they met identified minimum credit criteria; in particular counterparty credit quality was assessed and monitored with reference to credit ratings as provided by the three main credit rating agencies, supplemented by additional market data (including credit default swap prices, bank share prices and general media alerts).
- 6.3 The Council defined 'high credit quality' as institutions and securities having a long-term credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher (non-UK banks holding a credit rating of A+ or higher). The 2018/19 investment strategy further approved investments in BBB+ rated corporate (non-bank) organisations up to a maximum duration of 100 days; and the Royal Bank of Scotland (ring-fenced part of the bank) up to a maximum of one year given the part nationalised status of the bank. The total level of internally managed investments with corporates (non-bank) rated below A- was limited to a maximum of £30m and investments with RBS made on an unsecured basis was limited to a maximum of £15m.
- 6.4 The Director of Finance and Support Services confirms that on one occasion during 2018/19 the monetary exposure limit approved for total investments held in short-term Money Market Funds (£115m) was exceeded (£132.5m on 17 May 2018) due to actual payments and receipts differing from cash flow forecasts; with corrective action being taken on the next working day. Money Market Funds are used to cover the Council's daily liquidity requirements (as opposed to short-term borrowing from other institutions) and the maximum monetary limit approved for all such funds is maintained to ensure that the Council is not over exposed to lower yielding investment products; and is therefore not reflective of any additional credit risk. Full details of this occurrence were reported to the Regulation, Audit and Accounts Committee (23 July 2018) and to this Committee (22 November 2018).
- 6.5 In accordance with the approved investment strategy, and following a risk appraisal undertaken in conjunction with Link Asset Services during the first half of 2018/19, the Council selected additional property funds (over and above the CCLA Local Authorities' Property Fund) and multi-asset income funds, increasing its long-term investment exposure to externally managed pooled funds. The level of cash considered available for such investments

was based on longer-term forecasts of PFI and other earmarked reserves held by the Council.

- 6.6 Additionally, UK (and other country) banking legislation places the burden of rescuing failing banks disproportionately onto unsecured creditors (including local authority investors) through the potential bail-in of unsecured bank deposits. The use of unsecured bank deposits and short-term Money Market Funds however remained an integral part of the investment strategy in maintaining adequate cash-flow liquidity as well as enhancing short-term investment returns. In accordance with the approved treasury management strategy, investments held during 2018/19 included:

Non-Bank:

- Short-term investments (up to a maximum of one year) with other UK local authorities including: Cambridgeshire County Council, Dorset County Council, Lincoln City Council, Mid Sussex District Council and Northamptonshire County Council.
- Fixed-rate bonds with Corporates (assigned a BBB+ credit rating or above): BP Capital Markets Plc (UK).
- Long-term investments (greater than one year) with other UK local authorities including: Lancashire County Council (maturing April 2019), Plymouth City Council (maturing April 2020) and Wolverhampton City Council (maturing February 2019).

Bank Secured:

- Covered fixed-rate bond (short-term) with Yorkshire Building Society.
- Long-term covered bond (3-year floating rate note) with Nationwide Building Society (maturing April 2019).

Bank Unsecured:

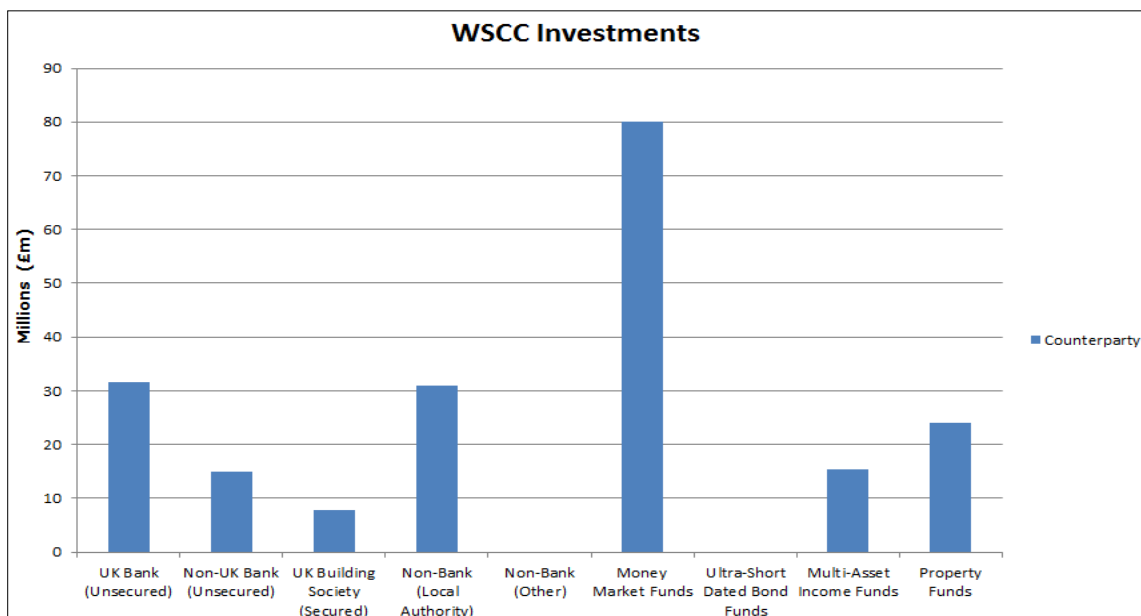
- Certificate of deposits, fixed-term deposits, instant access accounts and notice accounts with UK banks including: Close Brothers Ltd, Goldman Sachs International Bank, Handelsbanken PLC (wholly owned/authorised UK subsidiary from 1 December 2018), HSBC UK Bank Plc, Lloyds Bank Plc, Nationwide Building Society, National Westminster Bank Plc and Standard Chartered Bank.
- Certificate of deposits, fixed-term deposits, instant access accounts, and senior unsecured bonds with high credit quality non-UK Banks including: Australia & New Zealand Banking Group and Commonwealth Bank of Australia (Australia); Toronto-Dominion Bank (Canada); Cooperatieve Rabobank (Netherlands); United Overseas Bank (Singapore); Svenska Handelsbanken (Sweden; see note above) and UBS (Switzerland).
- Money Market Funds holding a AAA credit rating, operating a constant or low volatility net asset valuation and holding underlying assets in excess of £1bn: Aberdeen Standard (following merger with Standard Life), Blackrock, Deutsche, Federated (UK), Goldman Sachs, Standard Life (up to October 2018) and State Street sterling liquidity funds.

Externally Managed (Pooled Funds):

- Ultra-short dated bond funds (one year investment horizon): Federated Cash Plus Fund and Payden Sterling Reserve Fund.
- Multi-asset income funds (three year investment horizon): Fidelity Multi-Asset Income Fund and Investec Diversified Income Fund.
- Property Funds (minimum five year investment horizon): CCLA Local Authorities' Property Fund, Hermes Property Unit Trust and Lothbury Property Trust.

6.7 Internally managed investments in 2018/19 were arranged either through approved London money market brokers or by direct dealing with the relevant counterparty. Corporate bonds, covered bonds and certificate of deposits were held via a HSBC custodian service administered by King and Shaxson Ltd. Additionally, investments arranged with other UK local authorities were protected by statutory provisions set out in the Local Government Act 2003 that prevent default; due to these statutory provisions local authorities were viewed as similar to the UK Government.

6.8 At 31 March 2019 the Council's investments amounted to £204.8m as compared with £253.7m as at 31 March 2018 (including £39.9m Local Enterprise Partnership balances at March 2018; paid over to the new accountable body of the LEP during 2018/19). The full list of the Council's investments held at 31 March 2019 (£204.8m) is shown in **Appendix b**. Additionally a breakdown of the Council's investments by counterparty type at this point in time is shown below:



6.9 At 31 March 2019 the Council was holding significantly higher cash balances in lower yielding instant access Money Market Funds (as shown above) due to the approval to pay-over 2019/20 Local Government Pension Scheme (LGPS) employer contributions as a lump sum payment on 1 April 2019 (£43.2m). As a result of making the lump sum payment, the Council will receive a discounted pension contribution rate which is expected to generate £0.5m revenue savings in 2019/20.

6.10 The cash movement in the Council's internally managed investments during 2018/19 is shown below:

Investment Activity in 2018/19	Balance on 1st April (£m)	Investments Made (£m)	Investments Sold (£m)	Balance on 31st March (£m)
UK Banks: Unsecured Deposits	59.7	103.3	-131.5	31.5
UK Banks: Secured Deposits	18.3	0.0	-10.4	7.9
Non-UK Banks: Unsecured	59.2	121.8	-166.0	15.0
Non-Bank Corporates	0.0	4.5	-4.5	0.0
Local Authority	53.0	21.0	-43.0	31.0
Money Market Funds	38.8	921.1	-879.8	80.1
Total (Exc. Pooled Funds)	229.0	1,171.7	-1,235.2	165.5
Multi-Asset Income Funds	0.0			15.3
Property Funds	9.7			24.0
Ultra-Short Dated Bond Funds	15.0			0.0
Total Investments	253.7			204.8

6.11 Credit Risk: In demonstrating compliance against the approved treasury management strategy during 2018/19, the movement in the Council's investment portfolio by the credit rating of the financial institution, or the credit rating of the specific investment (for example covered bond) if higher than the individual counterparty rating, is shown below:

Institution / Investment Credit Rating	2017/18	2018/19			
	31.03.18 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
AAA (i)	57.1	86.7	60.4	31.1	88.0
AA	0.0	0.0	0.0	0.0	0.0
AA- (ii)	118.7	137.9	123.0	96.0	47.7
A+	8.5	14.7	14.7	14.7	14.8
A	44.7	55.0	30.0	15.0	0.0
A-	0.0	4.5	4.5	0.0	15.0
Internally Managed	229.0	298.8	232.6	156.8	165.5
Externally Managed Funds	24.7	34.7	34.0	49.1	39.3
Total Investments	253.7	333.5	266.6	205.9	204.8

(i) Includes short-term Money Market Funds and Covered Bonds.

(ii) Includes all non-rated UK local authorities (assumed AA- rating).

6.12 Furthermore, the 2018/19 treasury management strategy approved that a maximum of £90m may be invested in non-UK organisations (excluding investments held in short-term Money Market Funds and externally managed Pooled Funds); with a maximum of £30m invested in any one sovereign state. The Council's investment portfolio split by sovereign is shown below:

Deposits by Sovereign	2017/18	2018/19			
	31.03.18 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
Australia	20.0	30.0	25.0	25.0	15.0
Canada	15.0	15.0	10.0	5.0	0.0
Singapore	10.0	10.0	5.0	10.0	0.0
Sweden	5.8	0.0	0.0	0.0	0.0
Switzerland	8.4	0.0	0.0	0.0	0.0
Total (Non-UK)	59.2	55.0	40.0	40.0	15.0
UK (including Local Authority)	131.0	165.0	140.1	93.6	70.4
Money Market Funds	38.8	78.8	52.5	23.2	80.1
Externally Managed Funds	24.7	34.7	34.0	49.1	39.3
Total Investments	253.7	333.5	266.6	205.9	204.8

6.13 Counterparty credit quality can be further demonstrated by a benchmarking analysis of the Council's investment portfolio (*excluding the Council's multi-asset income and property fund investments*) undertaken by the Council's treasury management advisor-Link Group (Link Asset Services):

Benchmarking Date: 31 March 2019	Weighted Average Rate of Return	Weighted Average Time to Maturity (days)	Weighted Average Total Time (days)	Weighted Average Credit Risk
Link Client Population Average	0.87%	78	167	2.94
English Counties (Link Clients)	0.92%	70	147	2.69
West Sussex County Council	0.92%	50	236	1.75

6.14 The Link Asset Services weighted average credit risk score ranges between 1 (low credit risk) to 7 (high credit risk). The analysis demonstrates that the Council's internally managed investment portfolio compares favourably against the average for all Link clients and remains comfortably within their recommended credit risk score range.

6.15 Liquidity Risk: As required by the CIPFA Code of Practice, the Council uses purpose built cash flow forecasting software (SAP Treasury Management Module) to determine the maximum period for which funds may prudently be invested. The maturity profile of County Council investments throughout 2018/19 is shown below:

Period to Maturity	2017/18	2018/19			
	31.03.18 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
Instant Access Accounts	44.6	78.8	52.5	23.2	81.8
Up to one month	33.8	20.0	45.0	25.0	43.9
One month to 3 months	40.0	50.0	31.5	46.0	10.0
3 months to 6 months	34.7	61.2	60.7	47.6	14.8
6 months to 1 year	58.0	78.8	32.9	5.0	5.0
Ultra-Short Dated Bond Fund	15.0	25.0	10.0	10.1	0.0
Greater than 1 year	27.6	19.7	34.0	49.0	49.3
Total Investments	253.7	333.5	266.6	205.9	204.8

6.16 Short-term (borrowing for cash flow purposes): The Council has ready access to short-term borrowings from the money markets to cover any day-to-day cash flow needs. During 2018/19 however, daily cash flow shortages were funded either by way of overdraft facilities in place with the Council's main provider of banking services (Lloyds) or met from balances held in the Council's instant access bank accounts and Money Market Funds.

7. Investment Performance

7.1 The Council's budgeted investment income as approved in the 2018/19 Revenue Budget amounted to £1.9m; increased from £1.6m in 2017/18. The increased revenue budget reflected the move to higher interest rates due to the forecast increase to the UK Bank Rate during 2018/19 (paragraph 2.4) and the approval to increase the Council's exposure to higher yielding (long-term) investments through the use of additional externally managed property and multi-asset income pooled funds (paragraph 6.4).

7.2 The original estimate of 2018/19 gross investment income (before any adjustments for internal interest transfers) was £2.7m, based on the assumption that the Council would achieve an average interest rate of 1% on an assumed investment portfolio of £270m. Additionally, the investment income budget as originally reported included an estimated £0.8m in respect of interest transfers to internal and external reserve balances held by the Council, including Local Enterprise Partnership monies, school accumulating funds, PFI/MRMC reserves and cash held on behalf of the Chichester Harbour Conservancy.

Investment Income: Original Forecast (February 2018)	£'m
Expected interest receipts on investment portfolio	2.7
Budgeted transfer to/from specific reserves	-0.8
Revenue Budget 2018/19 (Investment Income)	1.9

7.3 Throughout 2018/19 the Council maintained average investment balances of £278.6m (£291m in 2017/18). At 31 March 2019 the Council's gross investment income amounted to £3.0m (£2.0m in 2017/18) at an average rate of return of 1.09%. In accordance with the approved Treasury Management Strategy performance can be shown by three separate investment types representing liquidity, short-term investments (up to one year duration) and long-term investments (greater than one year). The performance of these investment types during 2018/19 is shown below:

Investment Type	Average £'m	Interest £'m	Rate of Return
Liquidity	69.6	0.4	0.63%
Short-Term Investments	152.5	1.2	0.81%
Long-Term Investments	56.5	1.4	2.40%
Total	278.6	3.0	1.09%

7.4 In line with original forecasts, £0.8m interest was paid to third parties and other internal balances held by the Council during 2018/19; including brokerage paid in the arrangement of the Hermes and Lothbury property fund investments. As a result the actual performance of investment income throughout 2018/19 as compared against the original Revenue Budget forecast (paragraph 7.2) is summarised below:

	£'m
Expected Interest Receipts on Investment Portfolio	2.7
Higher rate of return than assumed budgeted rate (+0.09%)	0.2
Higher average investment portfolio than budgeted (at 1%)	0.1
Actual Interest Received on Investment Portfolio	3.0
Interest paid to third parties, internal reserves and LEP	-0.8
Net Interest Received (2018/19)	2.2
Revenue Budget 2018/19 (Paragraph 7.1)	1.9
Additional Interest/Shortfall(-)	0.3

7.5 The actual interest surplus at 31 March 2019 (£0.3m) was transferred to the Interest Smoothing reserve to help mitigate the impact of any future investment income shortfall due to ongoing periods of low interest rates and economic uncertainties (including Brexit) weighing down on returns. As a consequence, the Interest Smoothing reserve balance at 31 March 2019 totalled £1.1m (£0.8m at 31 March 2018).

7.6 Externally Managed Pooled Funds: At 31 March 2019 the Council held investments within the following pooled funds:

Fund	Type	Original Investment	Market Valuation (31/03/18)	Market Valuation (31/03/19)
Fidelity	Multi-Asset Income	£7.5m	n/a	£7.7m
Investec	Multi-Asset Income	£7.5m	n/a	£7.6m
CCLA	Property	£10.0m	£9.7m	£9.8m
Hermes	Property	£10.0m	n/a	£9.5m
Lothbury	Property	£5.0m	n/a	£4.7m
Federated	Ultra-Short Dated Bond	£10.0m	n/a	Sold
Payden	Ultra-Short Dated Bond	£15.0m	£15.0m	Sold

7.7 An overview of the investment activity in the Council's externally managed pooled funds during 2018/19 is shown below:

Fund	Invested (£'m)	Sold (£'m)	Unrealised Gains / Losses(-) (£'m)	Market Valuation 31/03/19 (£'m)	Dividends & Realised Gains (£'000)	Rate of Return (%)
Fidelity	7.5	0.0	0.2	7.7	91.7	4.02
Investec	7.5	0.0	0.1	7.6	103.0	4.29
CCLA	0.0	0.0	0.1	9.8	426.3	4.26
Hermes	10.0	0.0	-0.5	9.5	188.3	3.18
Lothbury	5.0	0.0	-0.3	4.7	109.8	3.82
Federated	10.0	-10.0	0.0	0.0	69.5	0.79
Payden	0.0	-15.0	0.0	0.0	49.7	0.89

7.8 The Council's investments in Property Funds (paragraphs 7.6 and 7.7) are valued on an ongoing basis at the "bid/redemption price"; the price at which units can be sold back to the fund manager. The resulting market valuation of the Council's Property Fund investments at 31 March 2019 (£24m) is lower than the original invested amount (£25m). The Council however continues to forecast that when viewed over a long-term (5-year) horizon that capital growth within the individual funds will increase the Council's holding to at least par when compared against the original invested sums

8. Non-Treasury Investments

8.1 A schedule of the Council's non-treasury investments is attached below:

Non-Treasury (Commercial) Investments	Valuation (31/03/19) £'m
Investment Property	
Commercial Property Initiatives (from 2018/19):	
• Churchill Court, Crawley	11.6
• 2 City Park, Hove	22.4
Solar Farms:	
• Tangmere	10.5
• Westhampnett	14.2
Other:	
• Smallholdings (and Farms)	8.6
• Surplus Land (Schools)	7.6
• Tenanted Houses (Residential)	2.3
• Other	2.4
Total (Investment Property classification on the Balance Sheet)	79.6
Horsham Enterprise Park (i)	16.7
Total (Non-Treasury Investments)	96.3

(i) Held as an operational asset on the Balance Sheet as it does not meet the criteria to be classified as an Investment Property, where an asset is held solely for rental income or capital appreciation. No return to-date as the business case to develop the Horsham Enterprise Park is yet to be submitted.

8.2 During 2018/19 rental income in respect of the Council's investment property (£0.4m) and income generated by solar farms and other Your Energy Sussex

schemes (£0.9m) were both recognised in the Council's revenue budgets (as reported in the 2018/19 Statement of Accounts).

9. Resource and Value for Money Implications

Covered in main body of report.

10. Risk Management Implications

Covered in main body of report.

11. Human Rights Act Implications

Not applicable.

12. Crime and Disorder Act Implications

Not applicable.

Katharine Eberhart

Director of Finance and Support Services

Contact Vicky Chuter, 033 022 23414
Jon Clear, 033 022 23378

Appendices

- a Prudential and Treasury Indicators
- b Counterparty Investments

Background Papers

None

This page is intentionally left blank

Prudential and Treasury Indicators (Compliance)

1 Gross Debt and the Capital Financing Requirement

1.1 In order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external debt does not, except in the short-term if borrowing in advance of need has been approved, exceed the total of the 2018/19 Capital Financing Requirement plus the estimates of any additional Capital Financing Requirement for 2019/20 and the next two financial years; this essentially demonstrates that the Council is not borrowing to support revenue expenditure. The table below shows that at 31 March 2019 the Council's gross external debt has not exceeded its Capital Financing Requirement:

	Estimate 2018/19 £'m	Actual 31 Mar 19 £'m
Capital Expenditure (2018/19)	136.0	113.9
Capital Financing Requirement	639.4	618.2
Gross External Debt (including short/long-Term Borrowing, PFI and Finance Leases)	498.9	492.9

2 Authorised Limit and Operational Boundary for External Debt

2.1 The Authorised Borrowing Limit is a statutory limit determined under Section 3 of the Local Government Act 2003 (referred to in the legislation as the "Affordable Limit"). This limit sets the maximum level of external debt on a gross basis (excluding all investments) for the Council. It is measured on a daily basis against all external debt items on the Council's Balance Sheet, including:

- Long-term borrowing
- Short-term borrowing
- Overdrawn bank balances
- Other long-term liabilities (PFI / Finance Leases)

	Original Estimate 2018/19 £'m (TMSS-18/19)	Revised Estimate 2018/19 £m (TMSS-19/20)	Actual 31 Mar 19 £'m
External Borrowing (Capital)	472.5	409.8	388.9
External Borrowing (Other)	44.5	45.0	4.9
PFI Schemes & Finance Leases	105.6	103.1	99.1
Authorised Borrowing Limit	622.6	557.9	492.9

- 2.2 The Operational Boundary (borrowing limit) links directly to the Council's estimates of the Capital Financing Requirement. This indicator is based on the same estimates as the Council's Authorised Borrowing Limit and reflects the maximum borrowing required to meet capital spending plans, without an additional £40m headroom included within the Authorised Limit required in meeting unusual (short-term) cash flow movements.

	Original Estimate 2018/19 £'m (TMSS-18/19)	Revised Estimate 2018/19 £m (TMSS-19/20)	Actual 31 Mar 19 £'m
External Borrowing (Capital)	388.9	388.9	388.9
External Borrowing (Other)	4.5	5.0	4.9
PFI Schemes & Finance Leases	105.5	103.1	99.1
Operational Borrowing Limit	498.9	497.0	492.9

- 2.3 The Council confirms that there were no breaches of the Council's Operational and Authorised Borrowing Limits (as revised in February 2019) during 2018/19.

3 Upper Limits for Fixed and Variable Interest Rate Exposure

- 3.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. The Council calculates these limits on the principal outstanding sums as compared with the respective total borrowing and investment levels.
- 3.2 The upper limits for variable interest rate exposure have been set with regard to current economic forecasts, to ensure that the Council is not exposed to interest rate rises which could adversely impact the revenue budget.

	Approved Limits 2018/19	Actual Position 31 Mar 19
Maximum % Borrowing at Fixed Rates	100%	99%
Maximum % Borrowing at Variable Rates	25%	1%
Maximum % Investments at Fixed Rates	100%	30%
Maximum % Investments at Variable Rates	85%	70%

- 3.3 The Council confirms that there were no breaches of these limits during 2018/19.

4 Maturity Structure of Fixed Rate Borrowing

- 4.1 This indicator highlights the existence of any large concentrations of external debt needing to be replaced at times of uncertainty over interest rates, and is designed to protect against excessive exposures to interest rate changes in any one period, in particular over the course of the next ten years.

Treasury Management	Lower Limit 2018/19 (%)	Upper Limit 2018/19 (%)	Actual Borrowing 31 Mar 19 (£'m)	Fixed Rate Borrowing 31 Mar 19 (%)
Over 30 Years	0%	30%	25.0	6%
Over 25 to 30 Years	0%	30%	0.0	0%
Over 20 to 25 Years	0%	30%	15.0	4%
Over 15 to 20 Years	0%	30%	0.0	0%
Over 10 to 15 Years	0%	70%	246.3	63%
Over 5 to 10 Years	0%	40%	74.9	19%
Over 1 to 5 Years	0%	35%	20.6	5%
Under 12 Months	0%	25%	12.0	3%
			393.8	100%

4.2 The Council confirms that there were no breaches of these limits during 2018/19.

5 Upper Limit for Principal Sums Invested over 365 Days

5.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

	Upper Limit 2018/19	Actual Position 31 Mar 19
Maximum invested for longer than a year (£)	£75m	£67.2m

5.2 The above limit reports on investments with expected maturities in excess of one year on commencement of the investment. This limit may therefore differ to the "greater than one year" investment total shown in paragraph 6.14 of the Annual Report which details the remaining period until actual maturity dates. The Council confirms that there were no breaches of this limit during 2018/19.

This page is intentionally left blank

Counterparty Investments

Investments held with counterparty's approved within the Council's 2018/19 Treasury Management Strategy (together with prevailing credit ratings and maximum monetary and duration limits) at 31 March 2019, are set out below:

Counterparty	Credit Rating	Approved Limits		WSSC Investment (at 31 March 2019)					
		Monetary	Duration	Start Date	Maturity Date	No. of days	Days to Maturity	Interest Rate	Amount
UK Banks (Unsecured):									
Handelsbanken Plc	AA-	£15m	1 Year	Instant Access A/c		n/a	n/a	0.64%	£1.7m
Lloyds Bank Plc (Ring-fenced Bank)	A+	£15m	1 Year	175 Days (Notice)		n/a	n/a	1.13%	£14.8m
National Westminster Bank Plc	A-	£15m	1 Year	21/01/19	01/04/19	94	1	0.79%	£15.0m
Non-UK Banks (Unsecured):									
Australia and New Zealand Bank (Australia)	AA-	£15m	1 Year	21/05/18	21/05/19	365	51	0.92%	£5.0m
Australia and New Zealand Bank (Australia)	AA-	£15m	1 Year	08/11/18	08/11/19	365	222	1.12%	£5.0m
Commonwealth Bank of Australia (Australia)	AA-	£15m	1 Year	01/05/18	01/05/19	365	31	0.95%	£5.0m
UK Banks (Secured):									
Nationwide BS (Covered Floating Rate Note)	AAA	£25m (i)	10 Years	25/04/16	25/04/19	1,095	25	1.37%	£7.9m
UK Local Authorities (<1-Year):									
Cambridgeshire County Council	AA- (ii)	£25m	20 Years	12/04/18	11/04/19	364	11	0.70%	£5.0m
Mid Sussex District Council	AA- (ii)	£25m	20 Years	14/02/19	01/04/19	46	1	0.90%	£6.0m
UK Local Authorities (>1-Year):									
Lancashire County Council	AA-	£25m	20 Years	14/01/16	15/04/19	1,187	15	1.31%	£10.0m
Plymouth City Council	AA- (ii)	£25m	20 Years	09/04/18	09/04/20	731	375	1.40%	£10.0m

Short-Term Money Market Funds:									
Aberdeen Standard Sterling Liquidity Fund	AAA	£25m	<i>Note (iii)</i>	Instant Access A/c	n/a	n/a	0.79%	£25.0m	
Blackrock Sterling Liquidity Fund	AAA	£25m	<i>Note (iii)</i>	Instant Access A/c	n/a	n/a	0.75%	£25.0m	
Federated Prime Sterling Liquidity Fund	AAA	£20.6m	<i>Note (iii)</i>	Instant Access A/c	n/a	n/a	0.79%	£20.6m	
Goldman Sachs Sterling Liquidity Fund	AAA	£25m	<i>Note (iii)</i>	Instant Access A/c	n/a	n/a	0.72%	£9.5m	
Pooled Funds (Externally Managed):									
Fidelity Multi-Asset Income Fund	n/a	£15m	<i>Note (iv)</i>	11/12/18	n/a	111	n/a	4.02%	£7.7m
Investec Diversified Income Fund	n/a	£15m	<i>Note (iv)</i>	05/12/18	n/a	117	n/a	4.29%	£7.6m
CCLA (Local Authorities' Property Fund)	n/a	£15m	<i>Note (v)</i>	28/02/17	n/a	762	n/a	4.26%	£9.8m
Hermes Property Unit Trust (HPUT)	n/a	£15m	<i>Note (v)</i>	28/08/18	n/a	216	n/a	3.18%	£9.5m
Lothbury Property Trust (LPT)	n/a	£15m	<i>Note (v)</i>	03/09/18	n/a	210	n/a	3.82%	£4.7m
TOTAL INVESTMENTS									£204.8m

- (i) The total amount invested per financial institution (secured and unsecured deposits) cannot exceed £25m.
- (ii) Assumed UK Local Authority credit rating if no actual rating exists (one notch lower than the UK sovereign rating).
- (iii) No defined maturity periods for short-term Money Market Funds; withdrawals based on cash flow liquidity requirements.
- (iv) Three year investment horizon for externally managed multi-asset income funds.
- (v) Minimum five year investment horizon for externally managed property funds.

Performance and Finance Select Committee

12 July 2019

Business Planning Group Report

Report by Chairman, Business Planning Group
--

Executive Summary

Each Select Committee has a Business Planning Group (BPG) to oversee the Committee's work programme and prioritise issues for consideration by the Committee.

This report provides an update to the Committee from the latest Performance and Finance Select Committee (PFSC) BPG meeting held on 17 June 2019 setting out the key issues discussed.

Changes to the interim work programme are reflected in the PFSC work programme included as Appendix A.

The Committee is also responsible for the over-arching review of Scrutiny Task and Finish Groups (TFGs). The Committee is asked to review the Task and Finish Group (TFG) rolling progress report included as Appendix B.

Focus for Scrutiny

The Committee is asked to support the updates to the work programme as recommended by the Business Planning Group and reflected in the updated work programme at Appendix A to ensure that the highest priority issues are being scrutinised. The Committee is also asked to note the Task and Finish Group Rolling Programme attached as Appendix B.

1. Introduction

The BPG met on 17 June 2019, members in attendance were Mr Montyn (Chairman), Mr Catchpole, Mr Crow and Mr Jones. Dr Walsh was absent. The Head of Finance attended for all items discussed.

2. 17 June 2019

2.1. The Cabinet Member for Corporate Relations and Cabinet Member for Finance and Resources were invited to the meeting to outline and discuss their priorities for the next year. This will help to inform the committee's work programme.

2.2. The **priorities outlined by the Cabinet Member for Corporate Relations** include:

- the Whole Council Design programme – particularly in relation to any capital investment required and savings to be achieved;
- the work which is currently underway to determine how services will be provided when the current contracts with Capita expire in 2022. This includes both the IT Outsourcing and Support Services Outsourcing contracts (ITO & SSO); and
- Human Resources – work is underway to improve the appraisal completion rates and processes in relation to performance management.

The issues above will be included within the committee's work programme and reviewed at an appropriate time.

2.3. The **priorities outlined by the Cabinet Member for Finance and Resources** include:

- Managing the 2019/20 budget which the committee will review through the quarterly Total Performance Monitor (TPM);
- The development and agreement of the 2020/21 budget. The budget timeline for this has been agreed and will be followed to enable scrutiny at key points in the process. Strategic savings decisions will be scrutinised by the appropriate select committee at an appropriate time;
- The development and agreement of the Capital Programme which will be approved by County Council in February;
- PropCo Joint Venture arrangements – this was scrutinised at the committee in May and a further report is planned to be presented to committee in October. This will be either a further decision preview report or a substantial update on the work undertaken;
- Assets – work continues to make the best use of the County's assets through the Asset Strategy and programmes such as One Public Estate.

The issues above will be included within the committee's work programme and reviewed at an appropriate time.

2.4. The Chief Information Officer attended the meeting to provide members with an update on the refresh of the **IT Strategy** as requested by a member at the March meeting of PFSC. Members of the BPG reviewed the draft Strategy and agreed that they were satisfied with the work underway and that scrutiny by the full committee was not required.

2.5. The Strategic Contracts and Supplier Relationship Management Lead attended the meeting to provide information to members on the **strategic and business critical contracts** in the committee's portfolio area. This was a recommendation from the Contracts Management TFG which reported to the committee in July 2018. The information will be regularly presented to BPGs in order to improve member awareness of contracts and to identify any areas of concern that may require further scrutiny. The BPG determined that they were satisfied with the information currently presented, that work is underway to standardise the information monitored in relation to contracts, and that no scrutiny was required by the full committee at this stage.

- 2.6. Members of the BPG considered and agreed the Terms of Reference for the reconvening **Contract Management TFG**. The Group is expected to reconvene in Autumn 2019 to review progress on the recommendations agreed in July 2018. It has also been agreed that the remit of the TFG will be extended to include consideration of how the Social Value Act is being embedded in contract management processes and to address issues of procurement governance and assurance.

3. **Scrutiny Work Programme Planning**

- 3.1 Members of the BPG reviewed the outstanding items on the current work programme. Appendix A details the items and timings to be reviewed as part of the 2019/20 work programme for the Committee. These changes include:-
- Agreement for an informal session to be held at the close of the formal meeting in July to enable members to reflect on the 2020/21 budget process to date and determine any specific issues for further scrutiny/review.

4. **Scrutiny Task and Finish Groups**

- 4.1 The progress report of Task and Finish Groups is attached as Appendix B. This includes the current position of the Groups established as part of the Scrutiny Work Programme which was approved at County Council in December 2017.

5. **Implications**

- 5.1 There are no resource, risk management, Crime and Disorder Act or Human Rights Act implications arising directly from this report. However, if any substantive reports to the Committee have implications, an Equality Impact Report will be included in appropriate substantive reports to the Committee.

Pieter Montyn

Chairman, Performance and Finance Select Committee Business Planning Group

Contact Susanne Sanger, 033 022 22550

Appendices

A PFSC Work Programme 2019/20
 B Scrutiny TFG Rolling Progress Report

Background Papers

None

This page is intentionally left blank

Select Committee Meeting date	Subject/Theme	Objectives/Comments	Key Contacts	Source
12 July 2019	Our People Strategy – Progress 2018/19 and Priorities for Overview 2019/20	Scrutiny of more in-depth figures and analysis to the information for year end 2018/19, to include appraisal return figures.	Heather Daley Colin Chadwick	Service, BPG agreed 26/03
	Treasury Management Annual Report 2018/19	Scrutiny of the annual report detailing the Council's treasury management activity, performance, and compliance against the approved strategy during the financial year 2018/19.	Katharine Eberhart Vicky Chuter	Work Programme
	Business Planning Group report - June	Summary of the June BPG.	Susanne Sanger	Work Programme
12 July 2019	Followed by Informal Budget Feedback Session			
03 October 2019	TPM Quarter 1 - June	Scrutiny of the finance, performance, capital and workforce position at the end of June 2019.	Katharine Eberhart, Nadine Muschamp, Martin Farrell, Heather Daley	Work Programme
	Capital Programme Quarter 1	Scrutiny of the Q1 report setting out the position at the end of June 2019.	Lee Harris, Matt Hall	Work Programme
	Horsham Enterprise Park (former Novartis site)	Scrutiny of the outline business case ahead of a Leader decision [joint item with ECFSC members].	Lee Harris, Carolyn Carr, Gary Cox	PrAM 21/06/17, BPG 25/02/19
	PropCo Joint Venture	Decision preview of the further decisions relating to the setting up of the PropCo Joint venture.	Lee Harris, Malcolm Mayo	May PFSC
	TBC Strategic Budget Decisions	Scrutiny of the strategic budget decisions that are relevant and appropriate for the committee to review. These will be decisions covered by PFSC	Katharine Eberhart	Budget Timeline
05 December 2019	Horsham Blue Light Project	Scrutiny of the Full Business Case ahead of a Cabinet Member decision	Lee Harris, Miranda Shawcross, Rachel North	BPG 25/02/19
	Medium Term Financial Strategy 2020/21	Scrutiny of the Medium Term Financial Strategy for 2020/21 ahead of approval at December County Council	Katharine Eberhart, Vicky Chuter	Work Programme
	Treasury Management Mid-Year Report 2019/20	Scrutiny of the mid-year performance of Treasury Management	Katharine Eberhart, Vicky Chuter	Work Programme
	TPM Quarter 2 - September	Scrutiny of the finance, performance, capital and workforce position at the end of September 2019	Katharine Eberhart, Nadine Muschamp, Martin Farrell, Heather Daley	Work Programme
	Capital Programme Quarter 2	Scrutiny of the Q2 report setting out the position at the end of September 2020	Lee Harris, Matt Hall	Work Programme
22 January 2020	Budget 2020/21 including Treasury Management Strategy	Review prior to County Council in February	Katharine Eberhart, Vicky Chuter, Nathan Elvery, Lee Harris, Kim Curry, Rachel North, all Cabinet	Work Programme
19 March 2020	TPM Quarter 3 - December	Scrutiny of the finance, performance, capital and workforce position at the end of December 2019	Katharine Eberhart, Nadine Muschamp, Martin Farrell, Heather Daley	Work Programme
	Capital Programme Quarter 3	Scrutiny of the Q3 report setting out the position at the end of December 2019	Lee Harris, Matt Hall	Work Programme

This page is intentionally left blank

Task and Finish Group Rolling Programme

Title	Type of TFG	Membership	Focus	Current Status/ timetable	Officer Contact
JOINT SCRUTINY (with District & Borough Councils)					
NONE IN PROGRESS					

TFGs in PROGRESS					
Fire and Rescue Service	ECFSC	Simon Oakley (Ch), Michael Jones, Andrew Baldwin, Carol Purnell, Ann Bridges, Francis Oppler	To act as a critical friend to development and implementation of action plans arising from the Integrated Risk Management Plan, specifically work on the recruitment and retention of on-call firefighters, and on our emergency response standards.	TFG has met twice and reported interim points for consideration by the FRS - in respect of recruitment and retention of retained firefighters. It was expected that the Group would remain constituted to consider emergency response standards, but the terms of reference may be broadened in the light of the HMICFRS Inspection Report	Ninesh Edwards

PROPOSED TFGs					
What Matters to You? Survey	PFSC	TBC	To contribute to the design and questions included within the next What Matters to You? survey to ensure it better reflects what Members need to know in relation to resident priorities.	To be timetabled ahead of the next survey in 2020.	Susanne Sanger
Contract Management (RECONVENE AUTUMN 2019)	PFSC	VACANT (Cons.), Duncan Crow, Joy Dennis, Nigel Jupp, James Walsh, Kate O'Kelly, Chris Oxlade.	Reconvene 1 year following creation of the new team. To review the success of contract management and monitoring arrangements put in place. To cover voluntary sector and the Social Value Act. To also cover the process of contract selection, negotiation and entering into contracts, and also large-scale procurements.	Three meetings of the Group took place during April and May 2018. The final report and recommendations were presented to PFSC in July 2018.	Susanne Sanger

COMPLETED TFGs (to be reported through PFSC)					
Education and Skills Annual Report	CYPSSC	Paul High, Jacky Pendleton, Sue Mullins, Eileen Le Rossignol	To review performance of the Education and Skills service and attainment of pupils at schools in West Sussex.	Single meeting TFG to meet on 19 February 2018 and report back to CYPSSC on 14 March 2018.	Rachel Allan
School Funding Review	CYPSSC	Paul High, Jacky Pendleton, Sue Mullins, Joy Dennis, Anne Jones, Paul Marshall.	To preview school funding decision, as all the information was not available at the January Committee.	Single meeting TFG to meet on 8 February 2018.	Rachel Allan
Contract Management	PFSC	Roger Elkins (Ch), Duncan Crow, Joy Dennis, Nigel Jupp, James Walsh, Kate O'Kelly, Chris Oxlade	To review the contract management and monitoring arrangements in place at WSCC.	Three meetings of the Group took place during April and May 2018. The final report and recommendations were presented to PFSC in July	Susanne Sanger

This page is intentionally left blank



Forward Plan of Key Decisions

Explanatory Note

The County Council must give at least 28 days' notice of all key decisions to be taken by members or officers. The Forward Plan includes all key decisions and the expected month for the decision to be taken over a four-month period. Decisions are categorised in the Forward Plan according to the [West Sussex Plan](#) priorities of:

- Best Start in Life
- A Prosperous Place
- A Safe, Strong and Sustainable Place
- Independence in Later Life
- A Council that Works for the Community

The Forward Plan is updated regularly and key decisions can be taken daily. Published decisions are available via this [link](#). The Forward Plan is available on the County Council's website www.westsussex.gov.uk and from Democratic Services, County Hall, West Street, Chichester, PO19 1RQ, all Help Points and the main libraries in Bognor Regis, Crawley, Haywards Heath, Horsham and Worthing.

Key decisions are those which:

- Involve expenditure or savings of £500,000 or more (except decisions in connection with treasury management); and/or
- Will have a significant effect on communities in two or more electoral divisions in terms of how services are provided.

The following information is provided for each entry in the Forward Plan:

Decision	The title of the decision, a brief summary and proposed recommendation(s)
Decision By	Who will take the decision
West Sussex Plan priority	See above for the five priorities contained in the West Sussex Plan
Date added to Forward Plan	The date the proposed decision was added to the Forward Plan
Decision Month	The decision will be taken on any working day in the month stated
Consultation/ Representations	Means of consultation/names of consultees and/or dates of Select Committee meetings and how to make representations on the decision and by when
Background Documents	What documents relating to the proposed decision are available (via links on the website version of the Forward Plan). Hard copies of background documents are available on request from the decision contact.
Author	The contact details of the decision report author
Contact	Who in Democratic Services you can contact about the entry

For questions about the Forward Plan contact Helena Cox on 033022 22533, email helena.cox@westsussex.gov.uk.

Published: 1 July 2019

Forward Plan Summary

Summary of all forthcoming executive decisions in West Sussex Plan priority order

Page No	Decision Maker	Subject Matter	Date
 Best Start in Life			
5	Cabinet Member for Children and Young People	Adoption of an Improvement Plan for Children's Services	July 2019
5	Executive Director of Place Services	Award of Contract for the expansion works to Nyewood Junior School, Bognor Regis	September 2019
6	Executive Director of Place Services	Award of Contract for the expansion of Shelley Primary School, Broadbridge Heath	September 2019
7	Cabinet Member for Children and Young People	Formation of a Regional Adoption Agency	September 2019
8	Cabinet Member for Education and Skills	Woodlands Meed College Site, Burgess Hill - Allocation of Funding for Project Delivery	September 2019
 A Prosperous Place			
9	Cabinet Member for Highways and Infrastructure	A259 Littlehampton Corridor Improvements	July 2019
9	Cabinet Member for Highways and Infrastructure	A284 Lyminster Bypass - Land Acquisition	July 2019
10	Cabinet Member for Finance and Resources	Capital Funding: Demolition of County Buildings in Crawley	July 2019
11	Executive Director of Place Services	Eastern Gateway, Crawley Growth programme- Contract award	July 2019
12	Cabinet Member for Highways and Infrastructure	Framework for managing planned events on West Sussex highways	July 2019
13	Cabinet Member for Highways and Infrastructure	Guidance on Parking in New Developments	July 2019
14	Cabinet Member for Highways and Infrastructure	Highways and Transport Service Area Review - Highway Maintenance Plan	July 2019
15	Cabinet Member for Highways and Infrastructure	Review of On-Street Parking Charges and related policy	July 2019

16	Cabinet Member for Highways and Infrastructure	Street Lighting LED Conversion Programme	July 2019
16	Cabinet Member for Highways and Infrastructure	Transport for the South East: response to consultation about statutory status	July 2019
17	Executive Director of Place Services	Worthing Portland Road Public Realm Works - Adur and Worthing Growth Programme	September 2019



A Strong, Safe and Sustainable Place

18	Director of Adults' Services	Procurement Process for Housing Related Support Contracts	July 2019
19	Cabinet Member for Adults and Health	Procurement of Public Health Services	July 2019
20	Executive Director of Place Services	Worthing Community Hub Award of Contract	July 2019
21	Chief Fire Officer	Award of Contract: Provision of 35 Vehicles for Flexi Duty System Staff (Fire)	August 2019
22	Cabinet Member for Environment	Adoption of the Shoreham Harbour Joint Area Action Plan	August 2019
22	Cabinet Member for Environment	Soft Sand Review - Proposed Submission Draft	September 2019



Independence in Later Life

23	Director of Adults' Services	Commissioning of Hospital Discharge Care Service	July 2019
24	Cabinet Member for Adults and Health	Contract Arrangements - In House Adult Social Care	July 2019
25	Cabinet Member for Adults and Health	Development of an Extra Care Housing Scheme in East Grinstead	July 2019



A Council that works for the Community

26	Cabinet Member for Finance and Resources, Leader	Total Performance Monitor (Rolling Entry)	Between April 2019 and March 2020
27	Cabinet Member for Finance and Resources	Review of Property Holdings (Rolling Entry)	Between April 2019 and March 2020
28	Director of Communities	Award of Contract Self Service Library Kiosks	July 2019

Agenda Item 9

28	Director of Environment and Public Protection	Building Maintenance Services Contract Award	July 2019
29	Cabinet Member for Finance and Resources	Commissioning of a Commercial Property Agent	July 2019
30	Cabinet Member for Finance and Resources	Recommissioning of Valuation, Rating and Estate Management Consultancy Services	July 2019
31	Cabinet Member for Safer, Stronger Communities	Procurement: Central Buying Consortium Library Group	August 2019
31	Cabinet Member for Corporate Relations	Procurement of a Business Management Solution	September 2019

Best Start in Life

Cabinet Member for Children and Young People

Adoption of an Improvement Plan for Children's Services	
<p>The County Council's Children's Services were the subject of an inspection by Ofsted in late February/early March 2019. The report detailing the inspection outcome was published on 8 May 2019 with the inspectors finding the overall effectiveness of Children's Services to be 'inadequate'.</p> <p>In response an Improvement Plan is being developed to address the findings of the report and set out how the County Council will implement the necessary measures to deliver improvement within Children's Services.</p> <p>The Cabinet Member for Children and Young People will be asked to approve the adoption of the Improvement Plan for Children's Services for submission to the Department for Education.</p>	
Decision By	Mr Marshall - Cabinet Member for Children and Young People
West Sussex Plan priority	Best Start in Life
Date added to Forward Plan	30 May 2019
Decision Month	July 2019
Consultation/ Representations	<p>Improvement Board Children and Young People's Services Select Committee – 19 June 2019 and 17 July 2019 Health and Wellbeing Board Corporate Parenting Panel</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member, via one of the listed officer contacts, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	Ofsted Report of Children's Services
Author	Garath Symonds Tel: 033 022 22511
Contact	Wendy Saunders - 033 022 22553

Executive Director of Place Services

Award of Contract for the expansion works to Nyewood Junior School, Bognor Regis

Agenda Item 9

Due to growing demand for school places, an expansion project was undertaken at Nyewood Junior School in 2015 to increase the published admission number from 75 to 90 places per year. A new school hall is required to complete the expansion. The Cabinet Member for Education and Skills will be asked to approve the allocation of funds required to enable the project to proceed and to delegate authority to the Executive Director of Place Services to award the contract for the works.

Following receipt of this approval from the Cabinet Member, the Executive Director of Place Services will be asked to award the construction contract for the new hall for Nyewood Junior School.

Decision By	Lee Harris - Executive Director of Place Services
West Sussex Plan priority	Best Start in Life
Date added to Forward Plan	14 December 2018
Decision Month	September 2019
Consultation/ Representations	Representations concerning this proposed decision can be made to the Executive Director of Place Services, via the author or officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Philippa Hind Tel: 033 022 23041
Contact	Wendy Saunders - 033 022 22553

Executive Director of Place Services

Award of Contract for the expansion of Shelley Primary School, Broadbridge Heath

Due to growing demand for school places there is a need to expand Shelley Primary School to accommodate additional pupils. The Cabinet Member for Education and Skills will be asked to approve the allocation of funds required to enable the expansion to proceed and to delegate authority to the Executive Director of Place Services to award the contract for the works.

Following receipt of this approval from the Cabinet Member, the Executive Director of Place Services will be asked to award the construction contract to expand Shelley Primary School.

Decision By	Lee Harris - Executive Director of Place Services
West Sussex Plan priority	Best Start in Life
Date added to	14 December 2018

Forward Plan	
Decision Month	September 2019
Consultation/ Representations	Representations concerning this proposed decision can be made to the Executive Director of Place Services via the author or officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Philippa Hind Tel: 033 022 23041
Contact	Wendy Saunders - 033 022 22553

Cabinet Member for Children and Young People

Formation of a Regional Adoption Agency	
<p>Following the Government Paper in 2016- Adoption- A Vision for Change, all Local Authority Adoption Agencies are required to form Regional Adoption Agencies (RAA) to assist in increasing the number of children placed locally and improve outcomes for children.</p> <p>In order to work towards establishing a RAA for the Sussex and Surrey area, West Sussex County Council, East Sussex County Council, Surrey County Council and Brighton & Hove City Council have been working together under an informal arrangement - Adoption South East (ASE) since June 2016. This arrangement now requires formalising to meet the Government's expectation that all local authorities become part of a RAA by 2020.</p> <p>The Cabinet Member for Children and Young People will be asked to agree that the County Council forms a Regional Adoption Agency with East Sussex County Council, Surrey County Council and Brighton and Hove City Council, to be operational from April 2020</p>	
Decision By	Mr Marshall - Cabinet Member for Children and Young People
West Sussex Plan priority	Best Start in Life
Date added to Forward Plan	1 July 2019
Decision Month	September 2019
Consultation/ Representations	<p>Staff Children and Young People's Services Select Committee</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member via the officer contact, by the beginning of the month in which the decision is due to be taken</p>

Background Documents (via website)	None
Author	Wendy Wood Tel: 033 022 25340
Contact	Wendy Saunders - 033 022 22553

Cabinet Member for Education and Skills

Woodlands Meed College Site, Burgess Hill - Allocation of Funding for Project Delivery	
<p>Woodlands Meed is a Special School and College for 2-19 year olds located in Burgess Hill. The existing accommodation at the College site has significant suitability and condition issues meaning the College is unable to offer the full curriculum and unable to accommodate the full range of Special Educational Needs.</p> <p>In order to address this, in February 2019 the Cabinet Member for Education and Skills took a decision (ES18 (18/19)) to approve the allocation of £0.5m from the Capital Programme to enable a costed design to be produced for rebuilding and expanding Woodlands Meed College on its current site. This has involved the appointment of a full design team through the County Council's Multi-Disciplinary Consultant to undertake the design work required to develop the feasibility design into a formal proposal enabling costs to be sought for all elements of the proposal.</p> <p>The Cabinet Member for Education and Skills will be asked to agree the allocation of funds from the Capital Programme to enable the rebuilding and expansion project at Woodlands Meed to proceed.</p>	
Decision By	Mr Burrett - Cabinet Member for Education and Skills
West Sussex Plan priority	Best Start in LIfe
Date added to Forward Plan	1 July 2019
Decision Month	September 2019
Consultation/ Representations	<p>School Cabinet Member for Finance and Resources</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	Cabinet Member Decision ES18(18/19)
Author	Leigh Hunnikin Tel: 033 022 23051
Contact	Wendy Saunders - 033 022 22553

A Prosperous Place

Cabinet Member for Highways and Infrastructure

A259 Littlehampton Corridor Improvements	
<p>The A259 Littlehampton Corridor improvement scheme comprises dualling the existing single carriageway between the new Fitzalan Link Road (east of the Wick Roundabout) and the Body Shop Roundabout as well as between the Station Road Roundabout and A280 Roundabout. Additionally, new cycling and pedestrian facilities will be provided adjacent to but separated from the carriageway.</p> <p>A decision was taken by the Cabinet Member for Highways and Infrastructure (HI25 17/18) in January 2018 in relation to the plans for improvements to the A259 between Worthing and Littlehampton.</p> <p>The Cabinet Member for Highways and Infrastructure will be asked to approve the capital allocation for the improvement scheme and award the construction contract.</p>	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	1 May 2019
Decision Month	July 2019
Consultation/ Representations	<p>The project board (whose membership includes Arun District Council and West Sussex County Council's Director of Highways and Transport)</p> <p>In January and February 2016, WSCC undertook a 6-week public consultation on the proposals for the A259 which included four public exhibitions, a project website, online questionnaire and a consultation leaflet detailing aspects of the proposals.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	David Lambert Tel: 033 022 25709
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Highways and Infrastructure

A284 Lyminster Bypass - Land Acquisition

Agenda Item 9

The Lyminster bypass has been safeguarded through the Arun District Local Plan (2003) and it continues to be safeguarded in the recently adopted Arun District Local Plan. The proposed bypass will provide an important north-south link between Littlehampton and the A27 Crossbush. It will help to deliver 700 new jobs and 1,260 new houses as part of the North Littlehampton development area, as well as realising safety benefits through Lyminster Village and improving journey time reliability.

The Cabinet Member for Highways and Infrastructure authorised the submission of a planning application in July 2018 ([HT12 18/19](#)) and planning permission for the scheme was approved at West Sussex County Council's Planning Committee on 26 March 2019 subject to call-in by the Secretary of State.

The compulsory acquisition of land and rights will be required to enable the scheme to progress towards completion and the Cabinet Member for Highways and Infrastructure will be asked to authorise the Director of Law and Assurance to publish the necessary Compulsory Purchase Order and take any necessary action to secure the land either by agreement or compulsion

Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	11 April 2019
Decision Month	July 2019
Consultation/ Representations	<p>Consultation has been on-going with the North Littlehampton Members Steering Group, Arun District Council, Highways England, the Environment Agency, the developers of the land north of Littlehampton internal services and other stakeholder groups.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	Sara McKnight Tel: 033 022 24197
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Finance and Resources

Capital Funding: Demolition of County Buildings in Crawley

In August 2017 the Leader approved the Crawley Growth Programme [LDR04 17.18](#) and following approval of the business case by the West Sussex Local Enterprise Partnership, delegated authority to the Executive Director Economy, Infrastructure and Environment (now the Director of Place Services) to progress the projects. Redevelopment of the County Buildings site in Crawley, currently within West Sussex County Council ownership, is central to achieving committed outcomes in both the Crawley Growth

Programme and the One Public Estate Programme. Initial viability work has identified the opportunity to deliver up to 195 homes and 4,780sqm of commercial space on the site offering an annual yield of over £1m and a significant capital receipt. Much of the site is empty, has been dormant for a number of years and was declared surplus to county council requirements in January 2018 [FR17 17.18](#). A few services remain on the site and work in underway to relocate these. A decision is now sought to demolish the County Buildings to enable redevelopment of the site.

The Cabinet Member for Finance and Resources will be asked to approve the allocation of £0.857m of funding in the West Sussex County Council (WSSC) Capital Programme to enable the demolition of the property owned by WSSC at County Buildings in Crawley.

Decision By	- Cabinet Member for Finance and Resources
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	13 May 2019
Decision Month	July 2019
Consultation/ Representations	<p>Crawley County Council Members. Crawley One Public Estate West Sussex Board, Crawley Growth Board which includes Crawley Borough Council, WSSC services that are located on this site and other existing occupiers. WSSC Leader as portfolio holder for Economy, Cabinet Member for Corporate Resources, Cabinet Member for Finance and Resources.</p> <p>Representation concerning the proposed decision can be made to the Executive Director of Place Services via the author or service contact, by the beginning of the month in which the decision is due to be taken</p>
Background Documents (via website)	None
Author	Duncan Barratt Tel: 033 022 23875
Contact	Monique Smart Tel: 033 022 22540

Executive Director of Place Services

Eastern Gateway, Crawley Growth programme- Contract award

In August 2017 the Leader approved the Crawley Growth Programme (ref report: [LDR04 17.18](#)) and following approval of the business case by the West Sussex Local Enterprise Partnership, delegated authority to the Executive Director Economy, Infrastructure and Environment (now Director of Place Services) to progress the projects.

Eastern Gateway is a key project within the growth programme.

The £8.35m scheme will:

- Improve connectivity between the town and key development sites in the vicinity of the proposals including the Town Hall, County Buildings, Crawley College and Telford Place;

Agenda Item 9

- Support the delivery of residential and commercial development in Crawley Town centre;
- Improve the public realm and living environment in the town.

In February 2019, the Executive Director, Economy, Infrastructure and Environment approved the commencement of the tender process to secure a design and build Contractor through the WSCC Highways Design and Build framework.

Following completion of the Tender process, the Executive Director of Place Services will be asked to approve the award of a design and build contract through the WSCC highways framework.

Decision By	Lee Harris - Executive Director of Place Services
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	24 April 2019
Decision Month	July 2019
Consultation/ Representations	A full engagement exercise took place in June/July 2018. Representations concerning this proposed decision can be made to the Executive Director of Place Services via the author or officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	Business case Consultation report
Author	Marie Ovenden Tel: 033 022 23854
Contact	Monique Smart Tel: 0330 22 22540

Cabinet Member for Highways and Infrastructure

Framework for managing planned events on West Sussex highways	
<p>During the past few years West Sussex has seen an increase in events taking place on the highway across the county. In order to realise the benefits from such events, the impacts on the community must be adequately considered and mitigated.</p> <p>A Framework for co-ordinating and approving events on West Sussex highways is being developed and will set out a clear timeline and process for the approval of road closures to ensure it is consultative and transparent, whilst balancing the impacts versus the benefits. It also sets out expectations in relation to how partners and event organisers communicate and co-ordinate to minimise any impact attributed to events.</p> <p>The Cabinet Member will be asked to approve a framework for co-ordinating and approving events on West Sussex highways.</p>	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan	A Prosperous Place

priority	
Date added to Forward Plan	16 May 2019
Decision Month	July 2019
Consultation/ Representations	<p>Consultation with the District and Borough councils in West Sussex, emergency service providers and internal West Sussex County Council stake holders. Environment, Communities and Fire Select Committee on 20 June 2019</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	Jeff Elliot Tel: 033 022 25973
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Highways and Infrastructure

Guidance on Parking in New Developments	
<p>The Council provides guidance on parking in new residential and commercial developments to inform the determination of planning applications by Local Planning Authorities (LPA). It addresses the amount of car and cycle parking that is expected to be provided and includes advice to developers and the LPAs on the highway impacts of parking provision in new developments.</p> <p>The current guidance was last reviewed in 2010 (residential), and 2003 (commercial). There is a need to review the current guidance to ensure it is fit for purpose, up to date and consistent with current national planning policy and guidance. A review of the current guidance has been undertaken in consultation with the LPAs to provide an updated evidence base and recommendations on which the new guidance will be based.</p> <p>The Cabinet Member for Highways and Infrastructure will receive a report on the review of current guidance and be asked to approve the Council's updated Guidance on Parking in New Developments.</p>	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	7 August 2018
Decision Month	July 2019
Consultation/	Local Planning Authorities in West Sussex

Representations	Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Paul Eagle Tel: 033 022 25298
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Highways and Infrastructure

Highways and Transport Service Area Review - Highway Maintenance Plan	
<p>The County Council, in its capacity as Highway Authority, has a duty to maintain the highway under Section 41(1) of the Highways Act 1980. However, the Act does not specify the levels of service required in order to meet that duty. In previous years, documents have been produced which detailed the highway maintenance service levels customers could expect to receive.</p> <p>A document named "Well-managed Highway Infrastructure" was published in October 2016, replacing "Well-maintained Highways", "Management of Highway Structures" and "Well-lit Highways". Like its predecessors, "Well-managed Highway Infrastructure" is a national, non-statutory code of practice which sets out a series of general principles for highway maintenance. It is endorsed and recommended by the Department for Transport and its production has been overseen by the UK Roads Liaison Group (UKRLG) and its Roads, Bridges and Lighting Boards.</p> <p>In order to demonstrate that the County Council complies with the principles of "Well-managed Highway Infrastructure", a robust decision-making process must be demonstrated, an understanding of the consequences of those decisions, and how the associated risks are managed to ensure highway safety. As part of that process, a new Highway Maintenance Plan needs to be produced, which clearly sets out the levels of service customers may expect and which integrates with a revised "Safety Plus" inspection manual.</p> <p>The Cabinet Member for Highways and Infrastructure will be asked to approve a new Highway Maintenance Plan, including a review of service levels currently delivered, and propose changes to service levels if required.</p>	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperus Place
Date added to Forward Plan	21 March 2019
Decision Month	July 2019
Consultation/ Representations	Executive Director of Place Services, Director of Finance and Support Services, Director of Law and Assurance

	Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Chris Barrett Tel: 033 022 26707
Contact	Judith Shore 033 022 26052

Cabinet Member for Highways and Infrastructure

Review of On-Street Parking Charges and related policy	
<p>The 2019/20 on-street parking charges review will include all West Sussex permits, dispensation notices, parking bay suspensions and pay & display areas.</p> <p>The Cabinet Member for Highways and Infrastructure will be asked to approve adjustments to parking charges to make improvements to the administration of the Residents' Parking Schemes, to correct any imbalance that exists between the on and off-street charges in some towns, to take account of inflation and to help facilitate future improvements in service provision.</p>	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	13 May 2019
Decision Month	July 2019
Consultation/ Representations	<p>All members of West Sussex County Council.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	Miles Davy Tel: 033 022 26688
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Highways and Infrastructure

Street Lighting LED Conversion Programme

Agenda Item 9

A study of the County Council's street lighting equipment has identified a cost-effective project to convert the street lighting throughout West Sussex to LED lanterns and introduce a Central Monitoring System (CMS).

The change to LED lanterns will greatly reduce annual electricity consumption.

The Cabinet Member for Highways and Infrastructure will be asked to approve the capital allocation to convert the existing street lighting to LED and implement CMS on all street lighting in West Sussex and delegate authority to the Director of Highways, Transport and Planning to award the contract and enter into all necessary contract arrangements.

Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	3 June 2019
Decision Month	July 2019
Consultation/ Representations	Environment, Fire and Communities Select Committee on 20 June 2019 Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Barry Edmunds Tel: 033 022 25692
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Highways and Infrastructure

Transport for the South East: response to consultation about statutory status

Transport for the South East (TfSE), a sub-national transport body that currently operates in 'shadow' form, is seeking to obtain statutory status. The body has the twin purpose of facilitating the delivery of a regional transport strategy and promoting economic growth in the South East. If it gains statutory status, TfSE will enable local transport authorities in the South East, including the County Council, to provide a single voice to Government on strategic transport issues and influence national investment decisions.

TfSE is consulting on a draft proposal that will set out the membership, voting powers, decision-making arrangements, functions and general powers that it is seeking for the body through obtaining statutory status.

The Cabinet Member for Highways and Infrastructure will be asked to approve the County Council's consultation response and, subject to there being no substantive changes to the final proposal, delegate authority to the Director for Highways, Transport

and Planning to submit the final proposal to Government.	
Decision By	Mr Elkins - Cabinet Member for Highways and Infrastructure
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	13 May 2019
Decision Month	July 2019
Consultation/ Representations	Internal consultation with officers and members of the County Council Representations concerning this proposed decision can be made to the Cabinet Member for Highways and Infrastructure, via the officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	Consultation proposal
Author	Darryl Hemmings Tel: 033 022 26437
Contact	Judith Shore Tel: 033 022 26052

Executive Director of Place Services

Worthing Portland Road Public Realm Works - Adur and Worthing Growth Programme

The approved Adur and Worthing Growth Programme identified public realm improvements in Worthing town centre to support the development of the regeneration sites and the town's future economy. A £12m programme of 8 public realm schemes between the station and the seafront was identified. West Sussex County Council (WSCC) have committed £5m of growth funding towards the programme to specifically deliver two of the schemes in key locations - Portland Road and South Street. Worthing Borough Council (WBC) are committing to fund the remainder of the schemes through CIL, s106 contributions and direct developer contributions.

Delivering these key regeneration sites in the town will bring forward additional homes, jobs and leisure facilities. The public realm programme of schemes will also provide better north south connectivity between the station and the town centre and create a more experienced based location that will help the town centre economy thrive into the future.

The preliminary design for the Portland Road scheme will be completed first with South Street following along later in the year. The preliminary design for Portland Road is the culmination of several stakeholder and public workshops and exhibitions and a public consultation in February. Its design will attract new users to the area and encourage dwell time in the town centre for the benefit of the businesses and local economy.

The Executive Director of Place Services is asked to give authority to proceed with the procurement for delivery of the Portland Road public realm scheme.

Decision By	Lee Harris - Executive Director of Place Services
West Sussex Plan priority	A Prosperous Place
Date added to Forward Plan	13 May 2019
Decision Month	September 2019
Consultation/ Representations	Local Business Design Workshop Sep 2018, Stakeholder workshop Oct 2018, Public Exhibitions and consultation January - February 2019 Representation concerning the proposed decision can be made to the Executive Director of Place Services via the author or service contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Patrick Griffin Tel: 03302224562
Contact	Monique Smart Tel: 033 022 22540

A Strong, Safe and Sustainable Place

Director of Adults' Services

Procurement Process for Housing Related Support Contracts

The current housing related support contracts commissioned by the County Council end on 30 September 2019, further to the Cabinet Member for Adults and Health's decision in December 2018 (Report Reference AH11 18/19). These services need to be recommissioned based on the revised financial envelope for these services.

To aid this process the council has rated the service using a RAG rating indicated the strategic fit with statutory duties and prevention. Services rated as green are a high priority for continued funding, albeit with efficiencies. These are services which support the Council's statutory duties in relation to adults with complex needs and children. The proposed approach for these services is a single tender re-procurement.

Services rated red are unlikely to attract on-going funding as they do not meet statutory needs and work is underway to end this provision.

Services rated amber are those services which have brought support as priorities across the district and boroughs and could form part of the Councils preventative offer. The exact services commissioned will be subject to the outcome of a joint piece of work. This group is due to report its findings in June 2019. The proposal is for these services will be extended until March 2020 and a re-procurement to commence from September 2019.

<p>The Director of Adults Services will be asked to agree;</p> <ol style="list-style-type: none"> 1) the commencement of a single tender processes for High Priority services for continued funding in August 2019 for contracts to commence from 1 October 2019; and 2) the extension of contracts for those services that are subject to further analysis until 31st March 2020 and commence open procurement processes in autumn 2019 for contracts to commence from 1st April 2020. 	
Decision By	Paul McKay - Director of Adults' Services
West Sussex Plan priority	A Strong, Safe and Sustainable Place
Date added to Forward Plan	11 June 2019
Decision Month	July 2019
Consultation/ Representations	Partnership Task and Finish Group including District and Borough representatives. West Sussex County Council Health and Adult Social Care Select Committee.
Background Documents (via website)	None
Author	Sarah Farragher Tel: 033 022 28403
Contact	Erica Keegan Tel: 033 022 26050

Cabinet Member for Adults and Health

Procurement of Public Health Services

The Services, which are currently delivered by GPs and Pharmacies, include but are not limited to: NHS Health Checks, Smoking Cessation, Contraceptive Implant, Emergency Hormonal Contraception, Intra-Uterine Contraceptive Device and Alcohol Identification and Brief Advice Services for the population of West Sussex.

Local Authorities are mandated to provide the NHS Health Checks Programme and the provision of contraception is a prescribed service under the conditions of the Public Health Grant. All of the services contribute to improvement of population, public health outcomes and reductions in health inequalities.

The new arrangement will be effective from 1 April 2020 and will run for three (3) years with the possibility of a further extension of up to two (2) years built into the terms of the contract. The contract will be funded through the Public Health Grant.

The Cabinet Member for Adults and Health is asked to agree the commencement of a procurement process for the provision of Public Health Services in the form of an approved supplier list and to delegate decisions regarding the award and extension of the supplier list to the Director of Public Health in consultation with the Cabinet Member for Adults and Health.

Agenda Item 9

Decision By	Mrs Jupp - Cabinet Member for Adults and Health
West Sussex Plan priority	A Strong, Safe and Sustainable Place
Date added to Forward Plan	1 July 2019
Decision Month	July 2019
Consultation/ Representations	Procurement Board, Legal, Finance, Contracts Representations concerning this proposed decision can be made to the Cabinet Member for Adults and Health, via the officer contact, in the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Kate Bailey Tel: 033 022 28688
Contact	Erica Keegan Tel: 033 022 26050

Executive Director of Place Services

Worthing Community Hub Award of Contract	
<p>This decision is subject to the approval of the decision by the Cabinet member for Safer, Stronger Communities on the Worthing Community Hub to approve the allocation of funds and commencement of a procurement process to allow the building works required to create a Community Hub in Worthing, based on the agreed detailed designs in the building currently known as Worthing Library and to delegate authority to the Executive Director of Place Services.</p> <p>The Executive Director of Place Services will be asked to award the contract to the successful bidder in accordance with the Council's Standing Orders on Procurement and Contracts.</p>	
Decision By	- Executive Director of Place Services
West Sussex Plan priority	A Strong, Safe and Sustainable Place
Date added to Forward Plan	9 April 2019
Decision Month	July 2019
Consultation/ Representations	Representations concerning this proposed decision can be made to the Executive Director of Place Services, via the author or officer contact, by the beginning of the month in which the decision is due to be taken.

Background Documents (via website)	None
Author	Rachel North Tel: 033 022 22681
Contact	Erica Keegan Tel: 033 022 26050

Chief Fire Officer

Award of Contract: Provision of 35 Vehicles for Flexi Duty System Staff (Fire)	
<p>In May 2019, the Chief Fire Officer agreed to commence the procurement of 35 vehicles to replace those currently provided to staff to support operational cover through a Flexi Duty System (FDS) (OKD_03_19/20).</p> <p>The total value of the purchase of vehicles, including emergency response conversions and livery, is expected to be approximately £750,000. Funds have been allocated to the purchase of these vehicles through the Fleet Asset Management Plan.</p> <p>A procurement process, compliant with West Sussex Standing Orders and European Union Procurement Directives, is currently underway. Following the completion of the procurement process, the Chief Fire Officer will publish a formal decision report concerning the award of the Contract for the provision of vehicles to the successful bidder.</p>	
Decision By	- Chief Fire Officer
West Sussex Plan priority	A Strong Safe and Sustainable Place
Date added to Forward Plan	1 July 2019
Decision Month	August 2019
Consultation/ Representations	<p>Cabinet Member for Stronger, Safer Communities</p> <p>Representation can be made via the officer contact by the beginning of the month in which the decision is to be taken.</p>
Background Documents (via website)	None
Author	Paul Mace Tel: 033 022 25443
Contact	Erica Keegan Tel 033 022 22650

Cabinet Member for Environment

Adoption of the Shoreham Harbour Joint Area Action Plan
The Shoreham Harbour Joint Area Action Plan (JAAP) has been prepared jointly by the

Agenda Item 9

County Council, Adur District Council and Brighton & Hove City Council for an area which stretches from the Adur Ferry Bridge in the west through to Hove Lagoon (in Brighton & Hove) in the east. Once adopted, the JAAP will provide planning policies against which applications for development in Shoreham Harbour will be assessed.

Following the Independent Examination in September 2018 and Main Modification representation period in January – March 2019, and subject to a 'sound' Inspector's report being received by the authorities, West Sussex County Council, Adur District Council and Brighton & Hove City Councils can then adopt the plan.

The Cabinet Member will be asked to recommend that the County Council adopts the JAAP at its meeting on 19 July 2019.

Decision By	Mrs Urquhart - Cabinet Member for Environment
West Sussex Plan priority	A Strong, Safe and Sustainable Place
Date added to Forward Plan	9 April 2019
Decision Month	August 2019
Consultation/ Representations	<p>There were a number of stages of consultation in preparing the JAAP for submission and examination, considered and approved by the County Council, Adur District Council and Brighton & Hove City Council.</p> <p>Representations concerning this proposed decision can be made to the Cabinet Member Environment, via the officer contact, by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	Caroline West Tel: 033 022 25225
Contact	Judith Shore Tel: 033 022 26052

Cabinet Member for Environment

Soft Sand Review - Proposed Submission Draft

The County Council, in partnership with the South Downs National Park Authority (SDNPA), is required to undertake a single-issue Soft Sand Review of the [West Sussex Joint Minerals Local Plan](#) (JMLP). The timetable to undertake the Review is set out in the County Council's approved [Minerals and Waste Development Scheme](#) (the statutory management plan).

The Review is considering the demand and supply of soft sand required during the plan period (to 2033) and how this demand will be met, including the potential need for site allocations. Informal public consultation (Regulation 18) took place during January–March 2019 on the Issues and Options for the review.

The results of the consultation, and further technical work, will inform the preparation of

the Proposed Submission Draft document, which will identify the proposed changes to the relevant sections of the JMLP.

In September, the Cabinet Member for Environment will be asked to recommend that Full Council approves the Proposed Submission Draft at its meeting on 18 October 2019.

Following approval by the SDNPA and the County Council, the Proposed Submission Draft will be subject to a representations period, under Regulation 19, between November 2019 and January 2020.

If no substantive changes are required following the representations period, it will be submitted to the Government for independent examination.

Decision By	Mrs Urquhart - Cabinet Member for Environment
West Sussex Plan priority	A Strong, Safe and Sustainable Place
Date added to Forward Plan	1 July 2019
Decision Month	September 2019
Consultation/ Representations	Public consultation January to March 2019 Further public consultation November 2019 to January 2020 Internal consultation with County Council and South Downs National Park Authority planning officers Representations concerning this proposed decision can be made to the Cabinet Member Environment, via the officer contact, by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Rupy Sandhu Tel: 033 022 26454
Contact	Judith Shore Tel: 033 022 26052

Independence in Later Life

Director of Adults' Services

Commissioning of Hospital Discharge Care Service

Health and Social Care in West Sussex are working together to develop and implement a pathway for people who are medically fit for discharge from acute hospitals but who may have continuing health or social care needs. People meeting these criteria and who do not require 24 hour care would be supported to return home immediately through this 'Home First' pathway without having their care needs assessed in hospital. The service will provide support to meet people's immediate needs at home whilst an assessment is completed. Following this assessment the need for ongoing support will then be considered. The aim will be to maximise the use of community support and to enable

people to remain living as independently as possible.

The decision will be to commission hospital discharge social care services, which will form one part of the multi-agency support that will be provided to patients on their return home. This includes plans to provide a county wide cohesive service that aligns with health services and enables the 'Home First' care pathway to be fully implemented across West Sussex.

The Director for Adults Services will be asked to approve the initial funding for the hospital discharge care provision and to approve the commencement of a procurement process to source the service for when people leave hospital through this pathway. The service should be in place by April 2020 but an interim solution is planned for October 2019.

Decision By	Paul McKay - Director of Adults' Services
West Sussex Plan priority	Independence in Later Life
Date added to Forward Plan	1 July 2019
Decision Month	July 2019
Consultation/ Representations	Procurement Board, Legal, Finance Representations concerning this proposed decision can be made to the Director of Adults Services, via the officer contact, in the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Juliette Garrett Tel: 033 022 223748
Contact	Erica Keegan Tel: 033 022 26050

Cabinet Member for Adults and Health

Contract Arrangements - In House Adult Social Care
<p>The Cabinet Member for Adults and Health is asked to agree to the commencement of a procurement process starting in August 2019 to secure a contract relating to the provision for the redevelopment of Chestnuts and Judith Adams Adult Day care centres in West Sussex for delivery of work for February 2020.</p> <p>The existing centres are under capacity and not suitable with maintenance and compliance issues. Therefore, the centres can't be used to their full capacity. This redevelopment would allow for an increase in numbers from the Wrenford Day Centre and this site returned to the West Sussex County Council's development team.</p>

Funding will be provided by Capital Programme allocation of £3million.

The procurement will be conducted using an open book tender and a decision will be based on quality and cost. A pre-tender exercise will be undertaken to determine quality of contractors prior to inviting to tender.

The Cabinet Member for Adults and Health will be asked to agree the allocation of funds from 'Choices for the future' capital programme for the total value of the overall project which is estimated at £2.6 million and the commencement of procurement. The award of contract will be delegated to the Director of Adult Services.

Decision By	Mrs Jupp - Cabinet Member for Adults and Health
West Sussex Plan priority	Independence in Late Life
Date added to Forward Plan	1 July 2019
Decision Month	July 2019
Consultation/ Representations	Capital Assets Board, Procurement Board, Legal, Finance Representations concerning this proposed decision can be made to the Cabinet Member for Adults and Health, via the officer contact, in the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Simon Starns Tel: 033 022 23706
Contact	Erica Keegan Tel: 033 022 26050

Cabinet Member for Adults and Health

Development of an Extra Care Housing Scheme in East Grinstead

Enabling residents to remain independent in later life is one of the key objectives of the West Sussex Plan. To this end, the Council has indicated a willingness to invest in social care infrastructure projects which help to make this possible.

Extra care housing has been identified as a particularly effective means of enabling people with care needs to remain independent, living in purpose-built homes within a residential setting with some communal amenities and an on-site care service. The proposal being put forward is to support the development of new extra care housing scheme comprising 48 flats on the site of a former supported housing scheme in East Grinstead.

The site is owned by Eldon Housing Association which has obtained planning permission and a commitment to grant funding from Homes England, however additional funding from WSCC will also be required if the scheme is to proceed.

The Cabinet Member for Adults and Health will be asked to approve the provision of

Agenda Item 9

<p>approximately £0.96m from the Council's Capital Programme to Eldon Housing Association to support the development of this scheme, following the implementation of a business case and necessary approval arrangements to ensure that the required capital resources are available.</p>	
Decision By	Mrs Jupp - Cabinet Member for Adults and Health
West Sussex Plan priority	Independence in Later Life
Date added to Forward Plan	11 June 2019
Decision Month	July 2019
Consultation/ Representations	Mid Sussex District Council.
Background Documents (via website)	None
Author	Ivan Western Tel: 033 022 23740
Contact	Erica Keegan Tel: 033 022 26050

A Council that works for the Community

Cabinet Member for Finance and Resources, Leader

Total Performance Monitor (Rolling Entry)	
<p>The Monitor details the Council's performance in relation to revenue and capital spending, savings, workforce projections, performance and risk by portfolio against the Cabinet's key priorities. The Leader and Cabinet Member for Finance and Resources will be recommended to approve the Total Performance Monitor and any items of financial and performance management within the Monitor.</p>	
Decision By	Mr Hunt, Ms Goldsmith - Cabinet Member for Finance and Resources, Leader
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	6 April 2018
Decision Month	Between April 2019 and March 2020
Consultation/ Representations	<p>Cabinet Board, Performance and Finance Select Committee where possible.</p> <p>Representations concerning this proposal can be made to the</p>

	Leader and/or the Cabinet Member for Finance and Resources via the officer contact.
Background Documents (via website)	None
Author	Fiona Morris Tel: 033 022 23811
Contact	Suzannah Hill Tel: 033 022 22551

Cabinet Member for Finance and Resources

Review of Property Holdings (Rolling Entry)	
<p>As part of its capital programme management, in line with the County Council's West Sussex Asset Management Policy and Strategy, the Council continually reviews its property estate. This includes consideration of assets which are likely to become surplus to operational requirements, i.e. no longer needed. In addition, the Council acquires or develops assets to meet statutory and service requirements as well as the Council's wider purposes, including investment or to promote social and economic development opportunities. From time to time these activities give rise to decisions to purchase, dispose of or to develop an asset.</p>	
Decision By	Mr Hunt - Cabinet Member for Finance and Resources
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	1 December 2017
Decision Month	Between April 2019 and March 2020
Consultation/ Representations	<p>Internal and local members as required.</p> <p>Representation can be made to the Cabinet Member for Finance and Resources or via the officer contact.</p>
Background Documents (via website)	None
Author	Elaine Sanders Tel: 033 022 25605
Contact	Suzannah Hill Tel 033 022 22551

Director of Communities

Award of Contract Self Service Library Kiosks
<p>When visiting the West Sussex Library Service residents regularly use self-service kiosks to transact a range of library services.</p> <p>In order to provide modern, longer term services procurement is currently underway for</p>

Agenda Item 9

Self Service Library kiosk replacement in West Sussex libraries. An allocation of £1m is included in the 2019/20 – 2023/24 capital programme for the replacement of kiosks.

Following the completion of the procurement process, the Director of Communities seeks to award the Contract for the Self Service Library Kiosks to the preferred bidder.

Decision By	- Director of Communities
West Sussex Plan priority	A Council that Works for the Community
Date added to Forward Plan	1 May 2019
Decision Month	July 2019
Consultation/ Representations	Representations concerning the proposed decision can be made to the Director of Communities by the beginning of the month in which the decision is due to be taken.
Background Documents (via website)	None
Author	Lesley Sim Tel: 0330 022 24786
Contact	Erica Keegan Tel: 033 022 26050

Director of Environment and Public Protection

Building Maintenance Services Contract Award

The Council provides a mechanical and electrical service throughout the Councils' corporate and educational property estate. This provides a broad range of statutory and essential building maintenance activities. The current interim contract that commenced 1 April 2019 will expire on 30 September 2019.

A procurement tender process has been completed for a new contract to commence on 1 October 2019. In accordance with the delegated authority approved by Cabinet Member Decision [FR05 \(18/19\)](#), dated 10 August 2018, the Director of Energy, Waste and Environment will be asked to award and enter into a contract for the provision of building maintenance services with the most economically advantageous bidder.

Decision By	Steve Read - Director of Environment and Public Protection
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	17 June 2019
Decision Month	July 2019
Consultation/	Internal and external stakeholders, the incumbent supplier,

Representations	market suppliers and BWA consultancy. Cabinet Member for Corporate Relations. Representation can be made to the Director Environment and Public Protection by the beginning of the month in which the decision is to be taken.
Background Documents (via website)	None
Author	Tony Farrant Tel: 22795
Contact	Suzannah Hill 033 022 22551

Cabinet Member for Finance and Resources

Commissioning of a Commercial Property Agent	
<p>The Cabinet Member for Finance and Resources will be asked to consider the commissioning of commercial property agent.</p> <p>The County Council's Future West Sussex Plan set out its ambition to minimise the burden of local taxation, delivering the best outcomes for residents with the money it spends, whilst living within its means. To do this the Council needs to find new and innovative ways of creating additional revenue to maintain and improve standards in the delivery of essential public services. The County Council aims to take a strategic approach to generate sustainable income streams and providing opportunity for capital growth by investing in commercial property.</p> <p>The County Council commenced a programme to acquire commercial investments following approval of its Asset Management Strategy in September 2018 and has since acquired two commercial investment properties for revenue return, one in Crawley in November 2018 and one in Hove in February 2019. Procurement of a Commercial Property Agent is now proposed via a mini competition from the Homes and Community Agency's Consultant Technical Panel – Property. The Agent will acquire additional property for the portfolio and manage the portfolio, including provision of advice on performance, lease renewal negotiations and rent review negotiations.</p>	
Decision By	Mr Hunt - Cabinet Member for Finance and Resources
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	1 July 2019
Decision Month	July 2019
Consultation/ Representations	County Council Capital and Asset Board Representation can be made to the Cabinet Member for Finance and Resource during the 28 day period prior to the date by which the decision can be taken.
Background	None

Documents (via website)	
Author	Elaine Sanders Tel: 033 022 25605
Contact	Suzannah Hill Tel 033 022 22551

Cabinet Member for Finance and Resources

Recommissioning of Valuation, Rating and Estate Management Consultancy Services

The Cabinet Member for Finance and Resources will be asked to endorse the re-commissioning of three contracts for services to support the Asset Management and Estates function.

Agricultural Estate Management - This contract is for the provision of landlord management covering West Sussex farms and other agricultural premises. The County Council is responsible for 115 tenancies across the smallholdings estate, licences, farms and land parcels let out on business farm tenancies, totalling 1300 plus acres. The current contract is due to expire on 31 March 2020.

Asset Valuations - This contract is for the provision of obligatory asset valuations. The County Council owns 900 plus assets, which are valued in 5 year' cycles. Valuations are also required on an ad-hoc basis for market appraisals and red-book valuations. The current contract is due to expire on 31 March 2020.

Non-Domestic Rating Assessments - This contract includes the rate negotiation and appeals services. The current contract is due to expire on 31 March 2020.

Decision By	Mr Hunt - Cabinet Member for Finance and Resources
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	1 July 2019
Decision Month	July 2019
Consultation/ Representations	County Council Capital and Asset Board Representation can be made to the Cabinet Member for Finance and Resource during the 28 day period prior to the date by which the decision can be taken.
Background Documents (via website)	None
Author	Elaine Sanders Tel: 033 022 25605
Contact	Suzannah Hill Tel 033 022 22551

Cabinet Member for Safer, Stronger Communities

Procurement: Central Buying Consortium Library Group

West Sussex County Council (WSSC) is the lead authority for library books and other library Services, on behalf of the Central Buying Consortium (CBC). The CBC Library Group consists of 19 of the CBC members and a further 29 Associated Member Local Authorities. The current Framework Agreement for Library Books and Audio - Visual materials is due to expire in March 2020 and the CBC Library Group has requested that the Framework is renewed for up to a further four years.

The Associate Members pay a management fee to WSSC of 1% of all spend. The latest figures show this amounts to £61,000 per annum. It is anticipated that new Associate Members will join with an additional spend of approximately £1.4M but in general the spend on Library books UK wide is trending down so the income may not rise significantly.

The Framework will be available for the provision of Adult fiction library books/Adult non-fiction and reference library books/Children's library books/DVDs and CDs.

The Cabinet Member for Safer Stronger Communities will be asked to agree the commencement of the procurement and delegate the management of the contracts awarded to the Director of Communities.

Decision By	Ms Kennard - Cabinet Member for Safer, Stronger Communities
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	1 July 2019
Decision Month	August 2019
Consultation/ Representations	n/a Representation can be made to the Cabinet Member of via the contact officers by the beginning of the month in which the decision is to be made.
Background Documents (via website)	None
Author	Linda Jones Tel: 033 022 28559
Contact	Erica Keegan 033 022 22650

Cabinet Member for Corporate Relations

Procurement of a Business Management Solution

The Council's core back office support services, Payroll, Human Resources and Finance currently rely on a system provided by SAP SE which was acquired in 2001. It is necessary to replace this system as the current one cannot meet future business needs. The support and maintenance contract ends in 2021 and SAP has given notice that it will no longer support the current version of the system from 2025.

Agenda Item 9

<p>The Cabinet Member will be asked to endorse a procurement process for a replacement business management solution and to delegate authority to the Director Finance and Support Services to award the contract.</p>	
Decision By	Mr Lanzer - Cabinet Member for Corporate Relations
West Sussex Plan priority	A Council that works for the Community
Date added to Forward Plan	25 June 2019
Decision Month	September 2019
Consultation/ Representations	<p>Market research on industry best practice and early market engagement. Engagement with internal services: Finance, Procurement and Human Resources. Cabinet Member for Finance and Resources</p> <p>Representation can be made to the Cabinet Member for Corporate Relations by the beginning of the month in which the decision is due to be taken.</p>
Background Documents (via website)	None
Author	Katharine Eberhart Tel: 033 022 22682
Contact	Suzannah Hill 033 022 22551