

Public Document Pack

Tony Kershaw
Director of Law and Assurance

If calling please ask for:

Lisa Sampson on 033022 28193
Email: lisa.sampson@westsussex.gov.uk

www.westsussex.gov.uk

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



29 June 2018

Performance and Finance Select Committee

A meeting of the committee will be held at **10.30 am** on **Monday, 9 July 2018** at **County Hall, Chichester PO19 1RQ**.

Tony Kershaw
Director of Law and Assurance

Agenda

Part I

- 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.
- 10.30 am 2. **Minutes of the last meeting of the Committee** (Pages 5 - 12)
- The Committee is asked to agree the minutes of the meeting held on 18 May 2018 (cream paper).
- 10.30 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.
- 10.30 am 4. **Part II Matters**
- Members are asked to indicate at this stage if they wish the meeting to consider bringing into Part I any items on the Part II agenda.

Part II

5. **Exclusion of Press and Public**

The Committee is asked to consider in respect of the following item(s) whether the public, including the press, should be excluded from the meeting on the grounds of exemption under Part I of Schedule 12A of the Local Government Act 1972, as indicated below, and because, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

Exempt: Paragraph 3, Financial or business affairs of any person (including the Authority).

10.35 am 6. **Part II Minutes of the 18 May meeting** (Pages 13 - 14)

To confirm the Part II minutes of the meeting held on 18 May 2018 (for members of the Committee only).

10.40 am 7. **Submission of an Outline Planning Application for the former Novartis site, Wimbleshurst Road, Horsham** (Pages 15 - 30)

A report by the Executive Director of Economy, Infrastructure and Environment.

The Committee is asked to review the progress of the project, comment on the proposed submission of an outline planning application and identify any additional issues prior to submission of the application.

Part I

11.10 am 8. **Adoption of the County Council's Asset Management Policy and Asset Management Strategy** (To Follow)

A report by the Executive Director of Economy, Infrastructure and Environment.

The Committee is asked to review, comment on and support the Asset Management Policy and Strategy, and to provide any recommendations to the Cabinet Member.

11.40 am 9. **Quarter 4 Capital Programme Monitor and Annual Report** (Pages 31 - 50)

A report by the Executive Director of Economy, Infrastructure and Environment.

The Committee is asked to review, comment on and make any relevant recommendations for action to the Cabinet Member in relation to the 2017/18 end of year performance report of the

capital programme.

BREAK- 5 minutes

- 12.05 pm 10. **Treasury Management Annual Report** (Pages 51 - 66)
- A report by the Director of Finance, Performance and Procurement.
- The Committee is asked to review, comment on and support the Treasury Management Annual Report.
- 12.25 pm 11. **Contracts Management Task and Finish Group (TFG) Report** (Pages 67 - 82)
- A report by the Chairman of the Contracts Management Task and Finish Group.
- The Committee is asked to review the findings of the TFG and support the recommendations.
- 12.45 pm 12. **Annual Scrutiny Performance 2017-18** (Pages 83 - 100)
- A report by the Director of Law and Assurance and Head of Democratic Services.
- The Committee is asked to review the report, make any recommendations for improvements to scrutiny practice and identify any training or development needs for Scrutiny Members.
- 1.05 pm 13. **Business Planning Group Report** (Pages 101 - 108)
- A report by the Chairman of the Business Planning Group providing an update from the meeting held on 21 May 2018.
- The Committee is asked to support the updates to the work programme and note the latest Task and Finish Group Rolling Programme.
- 1.15 pm 14. **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.
- 1.15 pm 15. **Forward Plan of Key Decisions** (Pages 109 - 132)
- Extract from the Forward Plan dated 27 June 2018.
- An updated version of the Forward Plan is due to be published between the date of despatch of the agenda and the date of the meeting and this 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.

1.15 pm 16. **Possible Items for Future Scrutiny**

Members to mention 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 just to assess, briefly, whether to refer the matter to its Business Planning Group (BPG) to consider in detail.

1.15 pm 17. **Date of Next Meeting**

The next scheduled meeting of the Committee is to be held on 5 October, at County Hall, Chichester. The meeting will commence at 10.30am.

Probable agenda items include:

- Results of the What Matters To You Survey
- Medium Term Financial Strategy
- One Public Estate
- Total Performance Monitor – July/August
- Q1 Capital Programme Monitor Report
- Social Value Act
- Business Planning Group Report - September

Any member wishing to place an item on the agenda for that meeting must notify the Director of Law and Assurance by 25 September 2018.

To all members of the Performance and Finance Select Committee

Performance and Finance Select Committee

18 May 2018 – At a meeting of the Select Committee held at 10.30am at County Hall, Chichester.

Present: Mr Elkins (Chairman)

Mr Barrett-Miles

Mr Boram

Mr Bradbury

Mr Cloake

Mr Crow

Mrs Dennis

Mrs Kitchen

Mrs Mullins

Dr Walsh

In attendance by invitation: Ms Goldsmith (Leader), and Mr Hunt (Cabinet Member for Finance and Resources).

Apologies for absence were received from Mr Montyn (Chairman), Mr Lea, Mr Smytherman, Mr Turner and Mr Waight.

Part I

Chairman

1. The Committee noted that as Mr Montyn had given apologies for absence, the Committee's Vice-Chairman, Mr Elkins, was in the chair for the meeting.

Declarations of Interest

2. Mr Bradbury declared a personal interest in relation to the February TPM (SEND) as a Trustee of Sussex Learning Trust.

Minutes of the Previous Meeting

3. Resolved – That the minutes of the Performance and Finance Select Committee held on 21 March 2018 be approved as a correct record and that they be signed by the Vice Chairman.

Business Planning Group (BPG) Appointments

4. Resolved that the Committee appoints Mr Montyn, Mr Elkins, Mrs Dennis, Mrs Mullins and Dr Walsh to the BPG for the period of one year.

Response to recommendation

5. The Committee noted the response from the Cabinet Member for Finance and Resources in relation to the recommendation made regarding the Call-in on Fees and Charges Executive Decision of 21 March 2018 (copy appended to the signed minutes).

Total Performance Monitor

6. The Committee considered the Total Performance Monitor (TPM) reports by the Director of Finance, Performance and Procurement, which reflect the position as at the end of February 2018 and the 2017-18 Outturn position, (copies appended to the signed minutes).

7. The Chairman thanked officers for their work to bring the Outturn TPM papers to this meeting on a short deadline, to enable the Committee to view the data at a more timely stage rather than at the next meeting of the Committee.

8. The Chairman drew members' attention to two items within the February TPM papers; the decision request noted for the Cabinet Member for Finance and Resources (Item 7a Annex Document, point 19), and the Transformation Paper as previously requested by the Committee (Item 7a Annex Document Appendix 2). The Chairman also drew members' attention to a decision request noted for the Cabinet Member for Finance and Resources in the Outturn 2017-18 TPM (Item 7a Annex Document, point 20).

9. The Cabinet Member for Finance and Resources introduced the reports and highlighted key points. The Council has finished the financial year 2017/18 in a good position despite challenges and has minimised budget overspend to 0.075% of the 2017/18 net budget. Controlling the costs within Adults Services remains challenging, and pressure remains within the schools budget. There has been an underspend in Children's Services for which the Cabinet Member thanked the team, however acknowledged that further challenges are expected in the current year. Proposed carry forwards are outlined (pages 20-23 of Item 7b Appendix 1b) which forms part of the February TPM, as well as reserves which are regularly being monitored for relevance and prudence. Appendix 1d shows a transfer of £540,000 to the Highways portfolio which is dedicated to providing approximately 2,000 extra pothole repairs.

10. The Director of Finance, Performance and Procurement introduced the reports and outlined risks predicted in the current year as highlighted in the Outturn TPM. Learning Disability costs in the Adults portfolio has been estimated in the 2018/19 budget to be at similar levels with extra funding allocated as part of Budget preparation, as has Children's Services. Special Education Needs (SEN) Transport has been a significant pressure, and controlling activity has been undertaken to manage this but further challenge is expected in the current year. A slight underspend in Waste has been shown, this is largely due to poor weather affecting disposal rates so £0.5M of the associated underspend has been held over to mitigate a potential rise at the start of this year. An assessment of reserves has been undertaken and it is proposed to add the underspent funds to the general reserve to bolster the reserve and strengthen the Council's financial resilience. The Director highlighted the Transformation report (Item 7a Appendix 2) which builds upon the budget report. £18m has been put into the programme and positive benefits have been seen as outlined in the report.

11. The Head of Intelligence and Performance outlined the Outturn TPM performance targets. Success has been seen in the child healthy weight measure and the Think Family programme. Much has been learned in young people's mental health, comments have been taken into account and the team are awaiting the March figures for the complete annual picture. Success has also been seen in the Later Life portfolio, with good performance in care home quality maintained and residents having choice over their own care which reflects the desired outcomes in the resident survey. The Economy measures have shown a positive improvement in earnings however the effect of the introduction of Universal Credit and Brexit remain uncertain. The officer noted that future

performance targets coming to this committee in the TPM will be the new West Sussex Plan measures.

12. The Committee made comments in relation to the February TPM including those that follow. It:

- Commented that there was pressure for key worker housing within the county, and queried in relation to the provision of 2,000 new homes within the One Public Estate (OPE) scheme whether lower-end key worker housing will be provided to help recruitment and retention. *The Leader commented that key worker housing is an important issue, has been discussed by the Cabinet and suggested further information will come to this Committee in due course. A pilot scheme is being worked upon and homelessness is also a key issue.*
- Expressed concern regarding the aim to have 2% more than the national average of SEND children taught in mainstream schools by 2022, commented that the needs of the child must be looked at carefully and noted that schools are already under pressure. *The Leader explained that officers are not pushing but trying to accommodate the child's best needs where possible. Some children perform better in mainstream schools and it demonstrates for all children the differences between people.* A member commented that mainstream schools have a good record of catering for SEND children.

13. The Committee made comments in relation to the Outturn TPM including those that follow. It:

- Commented that papers coming out after the main dispatch can make review difficult for members, affects the quality of scrutiny and requested that this is considered by the Business Planning Group. *The Cabinet Member for Finance and Resources highlighted that in agreement with the Chairman the Outturn TPM papers were agreed to be sent as a to follow item for this Committee meeting in order to review them more promptly rather than waiting for the next meeting, however understood the general comment. The Chairman noted that officers are looking at measures to address this issue including the timing of meetings.*
- Commented that the Gross Value Added (GVA) figures were improving and queried how a balance of maximum revenue for the Council and pressure to provide land or building for small businesses was managed. Members requested the GVA lowest to highest figures be provided. *The Leader explained that historically the County's GVA was very low, however close working with the Local Enterprise Partnership (LEP) has driven this up. OPE is a very important part of this, by utilising unused buildings and maximising development for housing and business, and there is a possible joint project with the LEP. The Chairman noted that OPE is currently scheduled to come to this Committee's July meeting.*
- Commented that the levels of reserve funds are positive.
- Queried why the reduction of printing and postage costs in Facilities Management and Contracts had not been previously recorded as a saving rather than a mitigation at the end of year. *The Director of Finance, Performance and Procurement explained that the decrease in print and postage costs is an in-year underspend rather than savings or mitigations.*
- Expressed concerns regarding performance indicator 21- Appropriate admissions to residential care, and whether individuals are placed further from their local area and family in order to save costs. The person's needs should come first in a care decision. *The Leader agreed the individual's*

needs should come first and commented that there are challenges in recruiting to care work and care homes. A Peer Review in Adults Services is currently underway with a similarly challenged County. The Leader would be happy to discuss this further with the member outside of the meeting.

- Expressed concern regarding the downward trend in assessments by the Children and Adolescent Mental Health Service (CAMHS) being completed within the target timescale. Commented that when a referral is required it needs to happen quickly, that early intervention prevents longer term problems which cost more to manage, and queried whether bringing the service back in-house would improve the rate of assessment. Queried whether there was a way for the parents of the young person to get help or support. *The Chairman will refer these concerns of the Committee to the Children and Young People's Services Select Committee (CYPSSC).*
- Queried in which District/Borough council areas of the county was pupil achievement underperforming and were any trends emerging. *The Head of Performance and Intelligence will provide this information.*
- Queried what action was being taken to improve primary educational achievement. *The Director of Finance, Performance and Procurement will request the Director of Education provide this information.*
- Queried why the 'unknown' destination of 16-17 year olds in education, employment or training remains high at 8.1% and what is being done to reduce this. *The Cabinet Member for Finance and Resources will request this information for the Committee.*
- Commented that the general picture of education in the county is poor, queried whether this was to do with performance or the targets set and stressed the importance of the IPEH project for improving school readiness. *The Leader explained that the county has lagged in education and that a quantum leap was made last year, however the same leap was also made by others which doesn't reflect the improvement made. 85% of schools (including Academies) were judged as good which is positive but further improvement is required.*
- Queried the reason for the decline of national concessionary fare bus usage, and whether this is due to insufficient bus services or a preference to use personal vehicles. *The Leader will request this information for the Committee.*

14. The Committee expressed its thanks to the Head of Strategic Finance, who is shortly to leave the authority, for his valued work with this Committee.

15. Resolved:

- (1) That the February 2018 TPM and the 2017-18 Outturn TPM be noted;
- (2) That member comments in relation to late papers be noted;
- (3) That the proposed decisions for the Cabinet Member for Finance and Resources in respect of approving carry forward requests/transfer to reserves and approving drawdowns from the contingency budget be supported;

- (4) That the concerns raised regarding assessments by CAMHS be referred to the Children and Young People's Services Select Committee; and
- (5) That an update on keyworker housing be brought to this Committee at an appropriate time.

Pensions Administration

16. The Committee considered a report by the Director of Finance, Performance and Procurement, (copy appended to the signed minutes).

17. The Cabinet Member for Finance and Resources introduced the report, highlighting that Capita recognised the Council's concerns regarding the service supplied for pensions administration. Changes to legislation making pensions administration more complex and a significant growth in employee numbers have meant providing the service to the agreed service levels has become challenging. Options for addressing the challenge have been considered, and it has been concluded that the service should move to a shared service supplier. The Pensions Panel have supported the need to move the function to provide a service that is fit for purpose.

18. The Committee made comments including those that follow. It:

- Commented that members are aware of the underperformance and receive anecdotal reports that administration is unsatisfactory.
- Commented that a large company such as Capita should be equipped to manage changes to legislation.
- Expressed concern that the service hasn't been considered for bringing back in-house rather than outsourcing to a neighbouring Council. *The Cabinet Member for Finance and Resources confirmed that insourcing the service was considered. A team to administer just this Council's members would be very small, less resilient and require a great deal of investment so was not considered a viable option.*
- Sought clarity on why Hampshire County Council (HCC) had been chosen over the other options. *The Cabinet Member for Finance and Resources explained that HCC was a large and established pension administrator. The Director of Finance, Performance and Procurement explained that LGPS schemes provide identical, transactional specialist services and efficient economy of scale is provided by joining HCC.*
- Commented that there was a failure of service with Capita and queried what measures have been taken to ensure the same issues do not occur with the new provider. *The Director of Finance, Performance and Procurement confirmed that regular performance reviews would be undertaken. The Chairman noted that underperformance would be a matter for the Pensions Panel.*
- Sought clarity on the expected impact upon the staff in this service. *The Cabinet Member for Finance and Resources explained that the effect upon staff members has been considered, however this is not shown in the report and concern for staff members must be balanced against the best outcome for the service and the 70,000 members of the scheme. HCC's team is based in Winchester and staff will be offered the opportunity to TUPE to HCC if they wish.*
- Queried whether the transfer of the service by March 2019 was achievable and how the service would be affected. *The Director of Finance,*

Performance and Procurement confirmed that there is a clear expectation of good service from Capita until the transfer is complete and officers from Capita and HCC are confident the timeline is achievable.

- Expressed concern regarding the administration systems and whether a contingency is built into the transfer costs to provide for potential difficulties. *The Cabinet Member for Finance and Resources confirmed a contingency has been built in. HCC had a new system in 2014, Civica, and have transferred their own systems across so have previous experience of performing a transfer; the system has also been used in transfers by other authorities so has been shown to be effective. The timeline has been set to accommodate the triennial valuation, and officers have spoken to the actuary who provided reassurance that if there is a slight delay this would not present a problem.*
- Queried what were the 2012 costs of transfer from in-house to Capita. *The Director of Finance, Performance and Procurement will provide this information to the Committee but highlighted that the cost would be incurred either now or at the end of the Capita contract.*

Exclusion of Press and Public

19. Resolved - That under Section 100(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Part I, of Schedule 12A of the Act by virtue of paragraph 3, and that, in all the circumstances of the case, the public interest in maintaining the exemption of that information outweighs the public interest in disclosing the information.

20. The Committee continued its discussions in Part II, for which a Part I summary is available. The discussions in Part II took place from 12.15 p.m. until 12.40 p.m.

25. Resolved – that the proposal to transfer the existing pension administration service to the Pensions Administration Service run by Hampshire County Council be supported.

26. Dr Walsh and Mrs Mullins asked that it be recorded that they abstained from voting on this resolution.

Forward Plan of Key Decisions

27. The Committee considered the Forward Plan of Key Decisions dated 9 May, (copy appended to the signed minutes), and the tabled summary of changes made since publication of the papers, (copy appended to the signed minutes).

28. In relation to the A259 Dualing Site Preparation Acceleration decision in the Prosperous Place priority; the dualing was welcomed but a member expressed concern that the involvement of the legal team in regard to the necessary compulsory purchase orders (CPO) appears to come late in the process of the works which may delay the project. The member queried whether legal should be involved earlier in the process in order to minimise the possibility of delay, for example public enquiry following the CPO. *The Leader commented that this particular case has been challenging, however the member's concern will be related to the Cabinet Member for Highways and Infrastructure.*

29. Resolved – That the Forward Plan be noted.

Possible Items for Future Scrutiny

30. A member expressed concern regarding the timing of the West Sussex Plan, savings proposals, Capital Programme and Revenue Budget coming to Committee/County Council. Previously all the items came together which gave members a comprehensive view of the financial position. Last year the items came to separate meetings which some members feel is disjointed. *The Cabinet Member for Finance and Resources explained that the elements of the Budget were coming separately in order to agree the Budget in parts starting with savings proposals first; this enables the agreed savings to then be carried through in the subsequent Budget papers and minimises the need for officers to amend the Budget on a very tight timescale. The Chairman noted that the presentation of the elements of the Budget is due to be discussed at the next meeting of this Committee's Business Planning Group (BPG), that the feedback will be noted and considered at the BPG, and that a report from the BPG will come to this Committee's July meeting.*

Date of Next Meeting

31. The Committee noted its next scheduled meeting will take place on Monday 9 July 2018, commencing at 10.30am.

The meeting ended at 1.00pm.

Chairman.

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Performance and Finance Select Committee
9 July 2018
Quarter 4 Capital Programme Performance Monitor and Annual Report
Report by Executive Director of Economy, Infrastructure and Environment

<p>Executive Summary</p> <p>The attached Annex document provide a status position on the Capital Programme Performance, as at 31 March 2018.</p> <p>Recommendations</p> <p>The Committee is asked to review, comment on and make any relevant recommendations for action to the Cabinet Member in relation to the 2017/18 end of year performance report of the capital programme.</p>
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- 1.1 An Equality Impact Report is not required as it is a report dealing with internal or procedural matters only.

Lee Harris

Executive Director
Economy, Infrastructure and Environment

Contact: Matt Hall – 0330 22 22539

Annex Capital Programme 2017/18 Quarter 4 and Outturn Performance Report

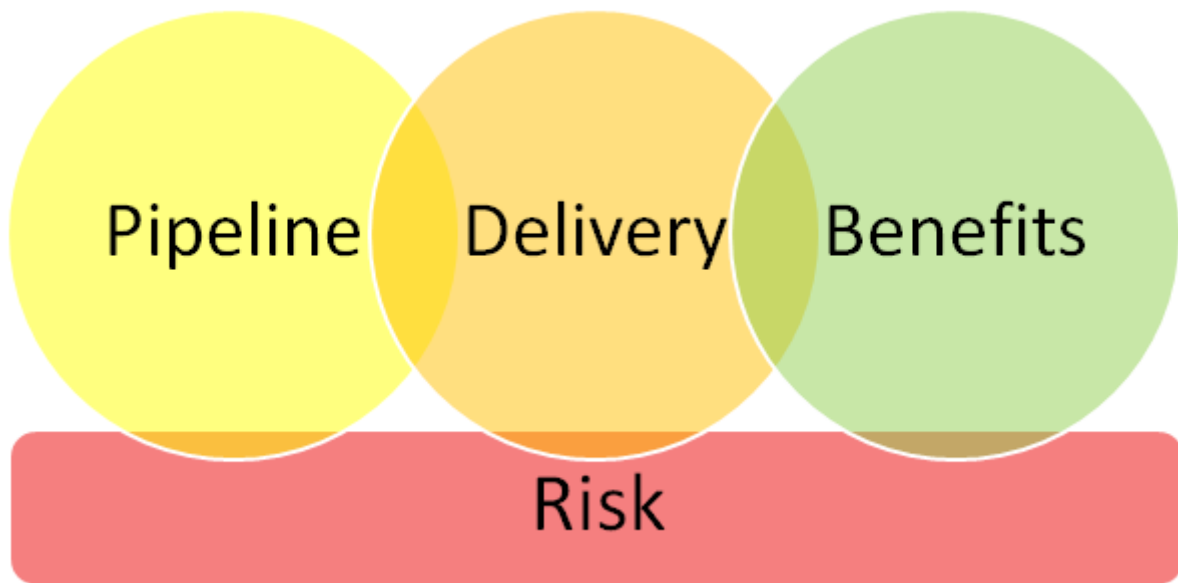
Appendix A Capital Programme March 2017/18 Performance by Portfolio Report

Background papers

None

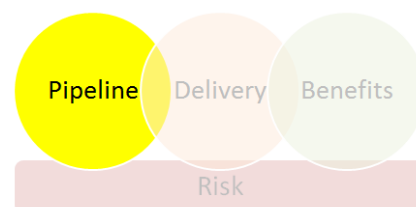
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Capital Programme 2017/18 – 2021/22
2017/18 Quarter 4 and Outturn
Performance Report



Performance and Finance Select Committee
9 July 2018

1. Pipeline

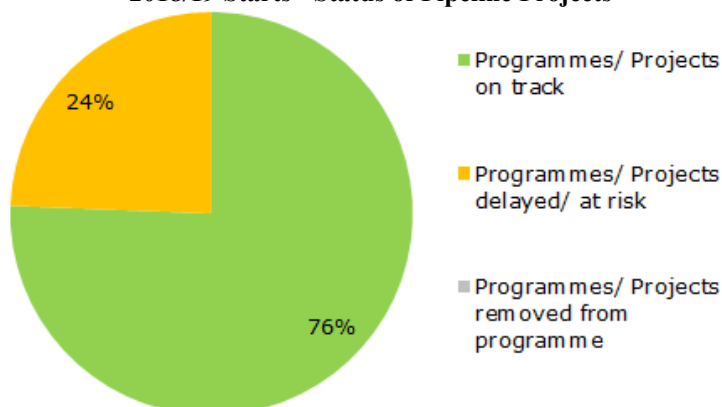


1.1 Projects that have had a Strategic Outline Case (SOC) approved and are included in the approved 5-year capital programme are considered to be in the pipeline. The preferred option/s will be developed into a Full Business Case (FBC) for a decision to proceed, in accordance with the approved capital programme governance, before the project can enter into delivery stage.

1.2 For some programmes of work, further updated Strategic Outline Cases are required before individual projects start dates are identified. Once projects are approved in accordance with capital governance, they will be considered “in delivery” and produce highlight reports that will be reported in the delivery section of this report.

1.3 The Capital Programme Office is currently monitoring the development of 103 programmes and projects in the pipeline. 41 projects are due to have a Full Business Case approved in accordance with capital governance rules and go into delivery in 2018/19. Each of the projects is subject to monthly review at one of the officer Hubs to ensure that they remain on track. At the end of Quarter 4, 31 projects due to start in 2018/19 were reported to be on track. 10 projects due to start in 2018/19 reported an issue affecting the originally planned progress to reaching delivery stage.

2018/19 Starts - Status of Pipeline Projects



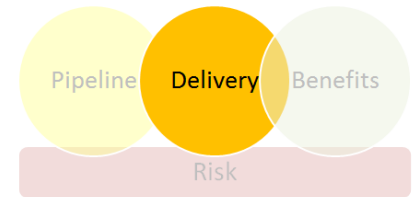
1.4 All of the issues currently being reported are to do with delivery against profiled timescales and at present there are no projects at risk of non-delivery. Despite a relatively high number of projects reporting delays, the majority reflect a level of optimism regarding how quickly progress can be made. Only 2 projects are currently reporting material obstacles to progression, caused by external factors. A summary of projects rated “delayed” or “at risk” is set out in the table below:

Profiled start	Project	Status	Reason	Current Status
February 2018	Westergate Extra Care Housing	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Worthing Growth Programme	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Capital Asset Delivery Plan	DELAYED	Prioritisation of Asset Strategy options required. Decision currently predicted in June	AMBER
March 2018	Minor Asset Improvement Programme	DELAYED	Decision currently profiled for April	IN DELIVERY
March 2018	Structural Maintenance	DELAYED	Decision currently profiled for May	IN DELIVERY

March 2018	Investment Portfolio Phase 1	DELAYED	Proposed changes to statutory codes of Investments and Minimum Revenue Provision leading to internal review of options	AMBER
March 2018	Maidenbower Junior SEND Project	DELAYED	Decision currently profiled for June	IN DELIVERY
May 2018	Crawley Growth Programme – Grade A Commercial in Crawley Town Centre	DELAYED	Original proposal to be delivered by external partner. Additional Grade A Commercial opportunities being scoped	GREEN
May 2018	School Basic Need - Angmering Secondary School	DELAYED	Decision currently profiled for July	GREEN
June 2018	PropCo, Angels Nursery	DELAYED	Decision currently profiled for July	GREEN

2. 2017/18 Delivery

2.1 Each of the projects in delivery are subject to monthly highlight reports by the Project Manager. The highlight reports are scrutinised by a service-specific officer “Hub” and reported to the Strategic Capital Investment Board.

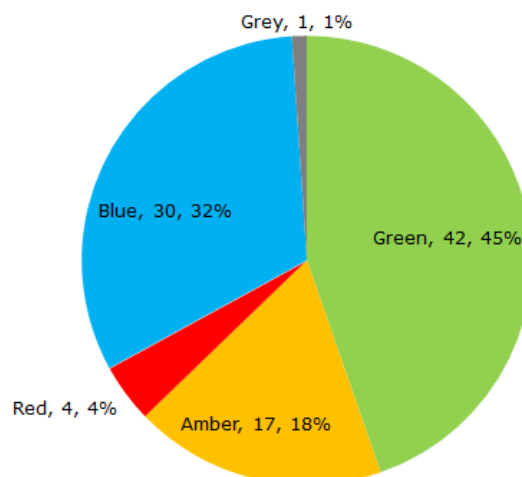


2.2 The highlight reports provide a colour-coded rating for each of the projects.

- **GREEN** indicates that the project is reporting to plan
- **AMBER** indicates that there is an issue having an effect on the project, but that it can be dealt with by the project manager or project delivery team
- **RED** indicates that there are significant issues with the project, requiring corrective action
- **WHITE**, where no highlight report was submitted
- **BLUE**, where a project had reached practical completion
- **GREY**, where a project has been withdrawn from the programme

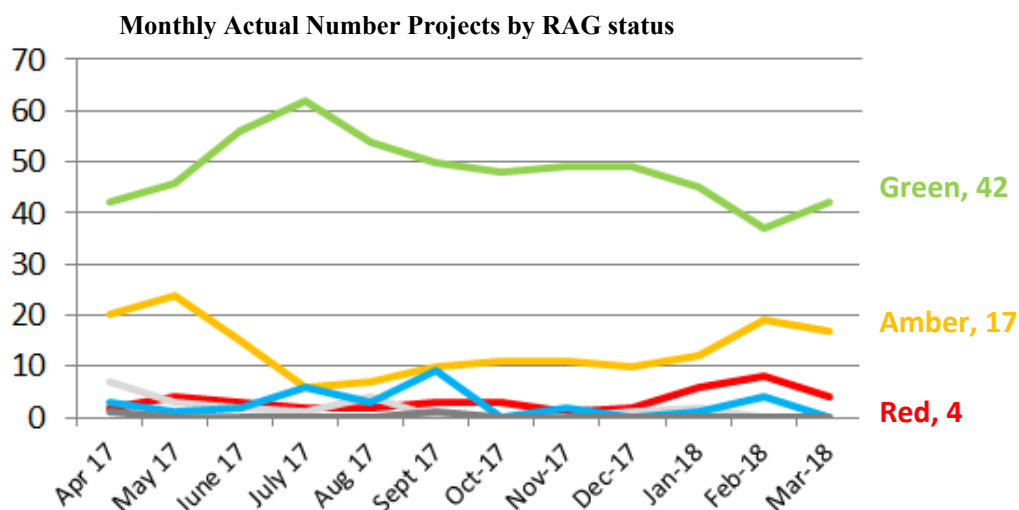
2.3 The Capital Programme Office (CPO) is monitoring 63 projects that are in delivery. Each of the projects is subject to monthly and quarterly highlight reporting. The highlight reports provide a RAG rating assessment of whether projects are on track for delivery according to TIME, COST and QUALITY measures. All highlight reports are subject to scrutiny and assurance at one of four functional-area hubs – Assets, Economy, Education and Highways and Transport.

2.4 At the end of Quarter 4, 42 projects in delivery were rated **GREEN**. 17 were rated at **AMBER**. 4 were rated as **RED**. 30 individual projects have completed in 2017/18 and are reported as **BLUE**. One project has been removed from the programme and is reported **GREY**.



Agenda Item 9

Annex D (continued) below sets out monthly RAG statuses during 2017/18. There has been a significant increase in RED reports during January and February, with 2 projects adversely affected by the liquidation of Carillion added to an escalation of the seriousness of 2 known issues.



2.7 A summary of the projects rated **AMBER** and **RED** in at the end of Quarter 4 is set out by portfolio in Appendix A. The table below sets out the project rated **RED** at the end of Quarter 4, the action being taken to address the issues and a Capital Programme Office assessment of the impact on the project outcomes:

Portfolio	Scheme	Issue	Project RAG at 31 Mar	Mitigations	Outcome RAG
Safer Stronger Communities	Fire - Breathing Apparatus	Costs for essential works to exceed existing budget	RED	Change Request approved to meet costs within existing Fire and Rescue Service capital funding	GREEN
Education and Skills/ Children Start of Life	Littlegreen School	Costs to exceed budget due to condition issues with foundations and drainage	RED	Children accommodated safely on site. Scope and cost of further works to be confirmed	AMBER
Highways and Infrastructure	A284 Lyminster Bypass	Environment Agency requirements for flood mitigation causing changes in design leading to delay and additional cost	RED	Planning approval for revised design to be considered in July. Additional funding to be considered as part of 2019/20 – 2023/24 Capital Programme in December 2018	AMBER
Environment	Waste – RDF Handling Facility (Phase 1)	Project currently on hold as the facility may not be required	RED	RDF temporarily stored on adjacent site	AMBER

2.8 5 projects reached practical completion in Quarter 4:

January		
Project	Location	Description
Fire – Smoke Detectors	Various	Installation of specialist linked smoke detectors in the homes of some of the most vulnerable and at risk residents in the event of a fire
February		
Project	Location	Description
Fire – Aerial Ladder Platform	Various	Replacement of Aerial Ladder Platform

Downlands Community School	Mid Sussex	Extension and adaptations of existing school to provide an additional form of entry (150 places)
The Glebe Primary School	Adur	Extension and adaptations of existing school to provide an additional form of entry (210 places)
Crawley Town Centre	Crawley	Capital contribution towards public realm improvements in the town centre

2.9 As well as the delivery of regular block-allocation asset management programmes, 30 distinct projects have completed during 2017/18 across a wide range of areas and services. The summary below picks out the highlights of 2017/18 capital delivery.



School Basic Need, various locations

Provision of an additional 1,610 primary places and 150 secondary places at schools across West Sussex.

Worthing Schools Reorganisation

Provision of additional temporary classroom space to accommodate a short-term bulge in pupil numbers following the age of transfer reorganisation of schools.

Storrington Area Rural Schools (STARS), Horsham District

Additional accommodation to enable the age of transfer schools reorganisation at Ashington, West Chiltington, Amberley, Storrington and St Marys Primary Schools.

Kamelia Kids, Worthing Borough

The County Council bought the Kamelia Kids Children's Centre in order to provide medium term security for the services being delivered in the area.

Heene Primary School, Worthing Borough

Delivery of a new hard play area on land bought for the purpose.

East Wittering Primary School, Chichester District

Replacement of existing double classroom in poor state of repair with a new modular double classroom.



Montague Place, Worthing Borough

Public realm improvement scheme in the shopping centre, providing a new bandstand with open space for public events, new steps, lit paving and "wayfinder" feature.

Business Finance, various locations

Agenda Item 9

Annual Grants programme to facilitate businesses to deliver capital projects, leveraging private sector funding and creating sustainable jobs. Over the three years, 51 enterprises were awarded over £2m, leveraging £3.7m in private sector funding to create 266 jobs (fte).

Queen's Square, Crawley Borough

The Queen's square project is the first delivered from the Crawley Growth Deal and Crawley Growth programme. The project delivered public realm improvements including replacement paving, street furniture and signage, creation of an attractive flexible open space available for planting, seating area or public art feature. The project also provides space that can be used for performance and community use. The project directly provides over 5000m² of commercial/ retail space and contributes toward the creation of a further 7000m². The project created over 60 new jobs in delivery stage and is anticipated to create over 200 new jobs in future years.



Findon Valley Library, Worthing Borough

Adaptations to the existing library building and flexible fittings to enable additional services to be delivered onsite and reduce running costs from the use of two buildings for the same type of activities.

Fire and Rescue - Aerial Platform Ladder

Replacement of the service's multi-purpose Aerial Ladder Platform appliance used at a variety of fire and rescue incidents. The vehicle can extend a ladder and firefighters up to great heights to rescue people from buildings like blocks of flats or direct large quantities of water onto a fire from above. An ALP can also be used to provide lighting at the scene of an incident or to monitor a fire from above.

Worthing Churches Homeless Project

The Drug and Alcohol Action Team facilitate a capital grant to Worthing Churches, housing an average 58 people who would otherwise be homeless and helping a 20-30 people every day at St Clare's Community Hub.

Smoke Alarms for the Vulnerable, Elderly and Disabled, various locations

Installation of specialised linked smoke detectors in the homes of some of the most vulnerable and at-risk residents in the event of a fire.



Burton Mill Pond, Chichester District

Construction of a new boardwalk and platform to provide disabled access to angling and wildlife watching facilities and purchase of a "wheelyboat" to enable wheelchair users to fish on the pond.

Highways Maintenance

Including:

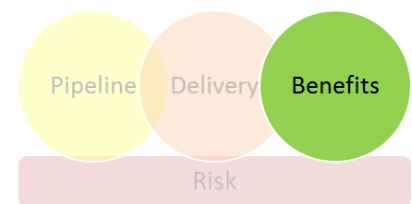
- Design and works to keep 25 bridges safe and open
- Over 140,000m² of carriageway resurfacing
- Over 485,000m² of surface dressing works
- Nearly 30,000m² of carriageway microasphalt treatment
- A wide range of local transport, road safety, signals, drainage and flood management improvements

Structural Maintenance

The County Council delivered a programme of planned and reactive maintenance and repairs to its asset estate, including schools, to ensure that buildings remain secure, safe and open for business.

3. Benefits

3.1 Project benefits are the positive outcomes that a project/ programme delivers, which justify the investment and contributes towards one or more organisational objectives.

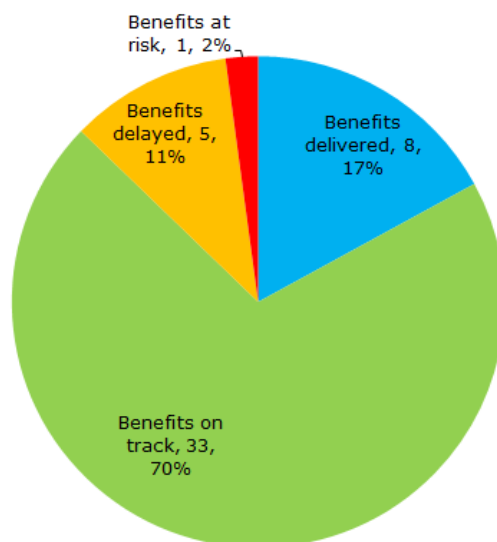


3.2 A benefits realisation framework was put in place in September 2016. Projects approved since then identify at least one benefit which will be tracked throughout the lifecycle of the investment and beyond project closure. Project benefits and measures are identified in each project's Full Business Case, along with review dates for monitoring their delivery and the benefit owners.

3.3 All projects approved since the introduction of the benefits realisation framework are required to identify key benefits of the delivery of the project in a benefits profile. The delivery of benefits is scrutinised by the service-specific officer "Hub" and reported to the Strategic Capital Investment Board. A RAG rating is provided for each of the benefits:

- **GREEN** indicates that the benefits remain on track to be delivered
- **AMBER** indicates that benefits will still be delivered but may be reduced or that there may be unexpected disbenefits
- **RED** indicates that the benefits will not be delivered

3.4 At the end of Quarter 4, 23 projects were reporting 38 benefits, of which 32 benefits were reported to be on track, 5 benefits were reported as being delayed and 1 benefit was reported as being "at risk".



3.5 A summary of the projects where the benefit is reported reduced or at risk is set out below:

Project	Location	Status	Issue	Benefit Outcome Status
Compton Primary School	Chichester	AT RISK	Additional places delivered – current year take-up lower than expected. Future years admissions numbers to be reported at review	AMBER
East Preston Infants School	Arun	DELAYED	Project delivery delayed leading to delay in benefit reporting. Project to complete in April	GREEN
Findon Valley Library and Children and Families Centre	Worthing	DELAYED	Building vacant but financial clawback clause restricting options for use. Options for future use of the building being reviewed	AMBER
Northgate Primary School	Crawley	DELAYED	Project delivery delayed leading to delay in benefit reporting against 2 benefits. Project to complete in June	GREEN
Crawley Street Lighting LED Replacement	Crawley	DELAYED	Project delivery delayed leading to delay in benefit reporting.	AMBER

3.6 The Benefits Framework is tracking the delivery of projects approved since September 2016. As many of the projects have benefits deliverable over many years (as far ahead as 2043 in some cases) only a small number of the tracked benefits have completed so far. However in 2017/18, 8 benefits were delivered, including provision of 195 additional school places for the 2017/18 academic year (with further places to be delivered in future years, tracked as a separate benefit).

3.7 The range of benefits reported includes short-term achievement of key deliverables and realisation of wider, longer-term benefits. The range of benefits are also categorised as:

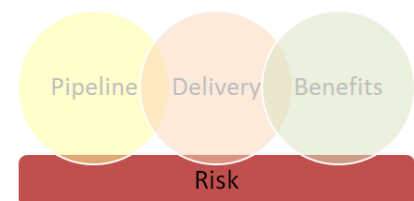
- Financial (cashable) – cost savings/ income generation
- Financial (non-cashable) – cost avoidance/ contribution to wider economic growth
- Non-financial (tangible) – where specific deliverables can be measured
- Non-financial (intangible) – where the project is expected to contribute to wider strategic objectives but where the impact of the project itself cannot be directly measured
- Disbenefits – where an effect of the project results in a negative outcome for the County Council or residents of West Sussex

3.8 As further projects are approved and delivered, their benefits will be added to the tracker and a broader picture of the delivery of capital benefits will emerge in future years.

Project	Location	Benefit Type	Benefit Delivered	Annex Document
Compton Primary School	Chichester	Non-financial (tangible)	35 additional school places to meet predicted Basic Need requirements	
Bartons Primary School	Arun	Non-financial (tangible)	30 additional school places to meet projected Basic Need requirements	
Childham Primary School	Chichester	Non-financial (tangible)	70 additional school places to meet projected Basic Need requirements	
St Wilfrid's Primary School	Arun	Non-financial (tangible)	60 additional school places to meet projected Basic Need requirements	
East Wittering Primary School	Chichester	Non-financial (tangible)	Double modular building provided (condition-based replacement)	
Kamelia Kids	Worthing	Financial (Cashable)	Revenue saving of £15K per year	
Schools Solar PV Pilot	Various	Financial (Non-cashable)	60% of spend project spend in local economy through use of local contractors	
Findon Library and CFC	Worthing	Non-financial (tangible)	Consolidation of building stock (Findon Valley Library co-sharing with Children and Family Centre)	

4. Risk

4.1 The capital programme risk register sets out the key risks to the delivery of the programme and significant risks to individual projects.



4.2 The Capital Programme Office is managing four programme risks and reporting seven project risks managed by services.

5. Finance

The overall capital monitor to the end of March, as set out in Appendix 2 in the March TPM, shows the revised budget for 2017/18 totalling £114.6m, with £101.0m on Core Services and £13.6m on Income Generating Initiatives. The actual spend for 2017/18 is £98.0m, representing a variance of £16.6m (or 14% of £114m) from the revised budget. This is an increase of £0.08m from the February forecast and is due to the following changes during March:

Acceleration - £2,302k

- Education and Skills / Children & Young People

Community Schools Capital Maintenance Grant £690k – Works have progressed quicker than first estimated therefore acceleration from 2018/19 to 2017/18 required.

- Finance and Resources

Structural Maintenance £543k – Works progressed quicker than first estimated therefore acceleration from 2018/19 to 2017/18 was required.

- Highways and Infrastructure

West Of Horsham £134k - Detailed design works have moved ahead of schedule resulting in acceleration of funding.

Agenda Item 9
Annex Document Highways Block Allocations £668k – Numerous schemes progressed quicker than first estimated therefore acceleration from 2018.19 to 2017.18 was required.

Additions - £682k

- Environment

MRMC £336k - A change request was approved through the capital governance for funding towards the 'bale and wrap' facility that is being constructed at the MBT plant.

- Finance and Resources

Asset Improvement Programme £261k – Six business cases were approved through the capital governance with all of them enhancing assets within West Sussex, these included Gypsy & Travellers (£20k), CHC Generator Rewiring (£31k), Tangmere Access Road (£57k), St Wilfrid's Hospice (£50k), Ifield School Layby (£25k) and Lancing Library (£78k).

Cancellations (£992k)

- Education and Skills / Children & Young People

Defect Projects (£459k) – Numerous projects that had already been completed and have been in defects have come in under budget meaning a reduction in borrowing.

- Finance and Resources

Staff Capitalisation (£254k) – Staff capitalisation costs were lower than estimated due to a number of vacancies being carried over the financial year therefore the cancellation will reduce borrowing.

- Highways and Infrastructure

Integrated Transport Block (£268k) – Numerous schemes delivered under budget therefore a reduction of £268k s106 funding to the block allocation. The funds will be returned to the budget once new schemes are identified.

Slippage (£1,914k)

- Education and Skills / Children & Young People

Age of Transfer Storrington (£431k)- Provisional sums in the contract have yet to be fully closed out and therefore the Final Account has not yet been agreed, negotiations are under way which may result in the project coming in under budget.

Three Bridges Primary Phase 2 (£345k) – Numerous delays in March due to adverse weather conditions have meant a lower payment than first estimated, works to be caught up in April 2018.

Parklands Phase 2 (£173k) - Final account delayed whilst the contractor rectifies defects identified by WSCC.

- Highways and Infrastructure

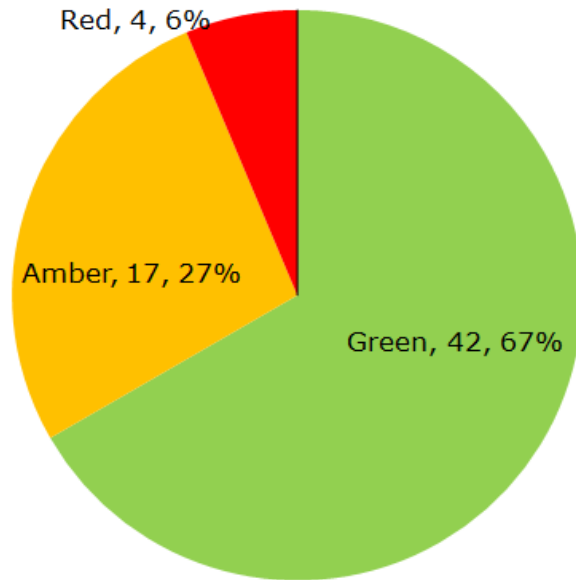
Pothole Action Fund (£178k) - Costs for work programmed in 2017/18 has come in lower than anticipated, budget to be reprogrammed in 2018/19.

Even Better Pavements (£269k) - Slippage due to adverse weather conditions in March and the availability of road space has meant work has been delayed until April.

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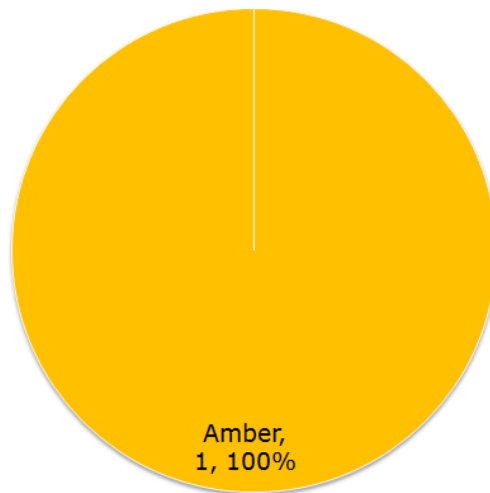
**Capital Programme Performance Report
March 2017/18
Performance by Portfolio**

1. Each of the capital programme projects in delivery is required to submit a highlight report on a monthly basis to consider progress towards delivering the outputs against time, cost and quality. Summaries of the highlight reports by portfolio are available as background papers. A summary of the RAG status of projects in March is set out in the pie chart below:



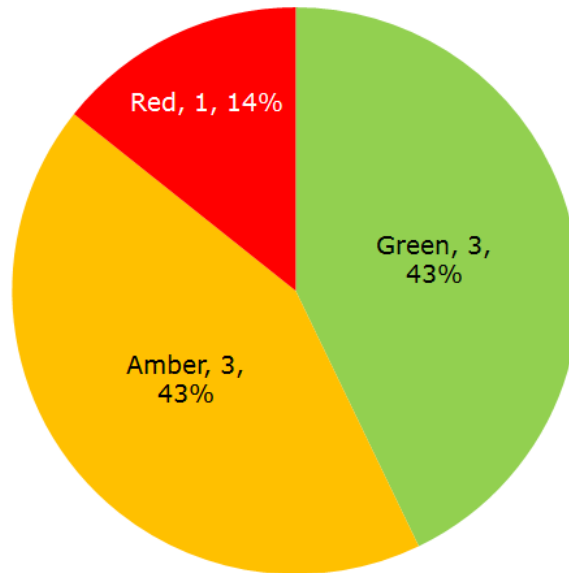
2. The performance of project by individual Cabinet Member portfolio is set out below:

Adults and Health



3. 1 project submitted a highlight report at the end of March, which was rated at **AMBER**, indicating that there is an issue having an effect on the projects, but that it can be dealt with by the project manager or project delivery team. The table below sets out the reason the project was **AMBER** along with an update on the latest position.

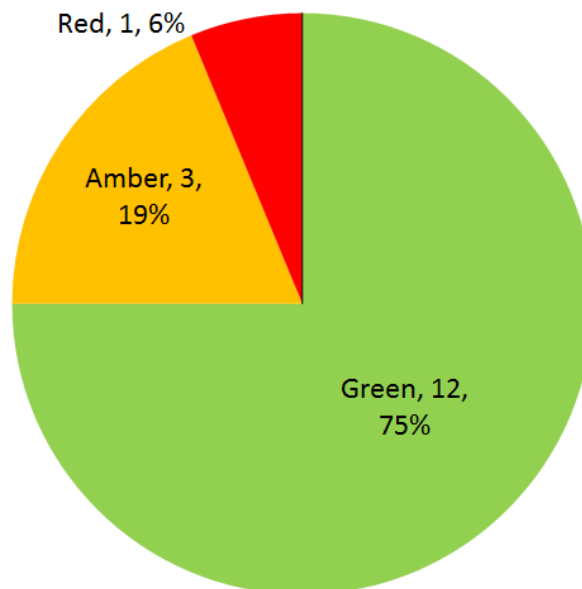
Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
No. 2 Boundary Close	AMBER	Change in service-user specifications delaying completion	AMBER	Site handover predicted in July 2018



4. 7 projects submitted highlight reports at the end of March. 3 of the schemes in delivery were rated **GREEN**, indicating that the project is reporting to plan. 3 were rated at **AMBER**, indicating that there is an issue having an effect on the projects, but that it can be dealt with by the project manager or project delivery team. 1 was rated as **RED**, indicating that there are significant issues with the project, requiring corrective action.

5. The table below sets out the reason individual projects were **AMBER** and **RED** along with an update on the latest position.

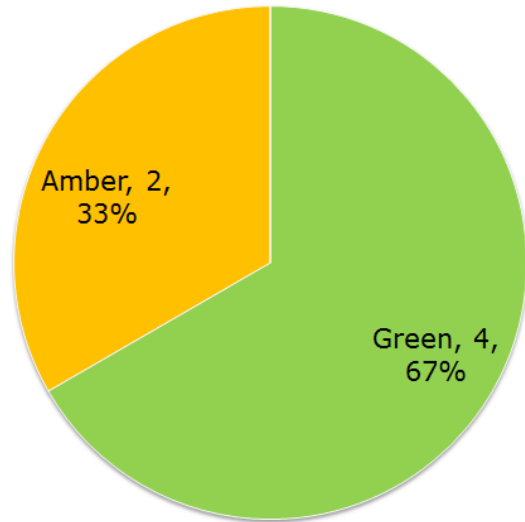
Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
Fleet (programme)	AMBER	9 of 13 vehicle procurements delayed pending service specification of requirements	GREEN	Budget re-profiled to reflect service requirements
Fire – Equipment (programme)	AMBER	4 of 7 fire equipment procurements delayed - 2 pending National Guidelines for radios and 2 subject to approval of tender waiver	GREEN	2018/19 budget profiled and on track for delivery
Fire - Breathing Apparatus	RED	Costs for essential works to exceed existing budget	GREEN	Change Request to allocation funding from existing Fire and Rescue Service budgets approved
Fire – Haywards Heath Adaptations for Sussex Control Centre	AMBER	Issues with the mobilising software resulting in the go live date not being achieved.	AMBER	Technical analysis currently being undertaken ahead of decision to migrate to the new mobilising system June 2018



6. 16 projects submitted highlight reports at the end of March. 12 of the schemes in delivery were rated **GREEN**, indicating that the project is reporting to plan. 3 were rated at **AMBER**, indicating that there is an issue having an effect on the projects, but that it can be dealt with by the project manager or project delivery team. 1 was rated as **RED**, indicating that there are significant issues with the projects, requiring corrective action.

7. The table below sets out the reason individual project/s were rated **RED** or **AMBER** and provides an update on the latest position:

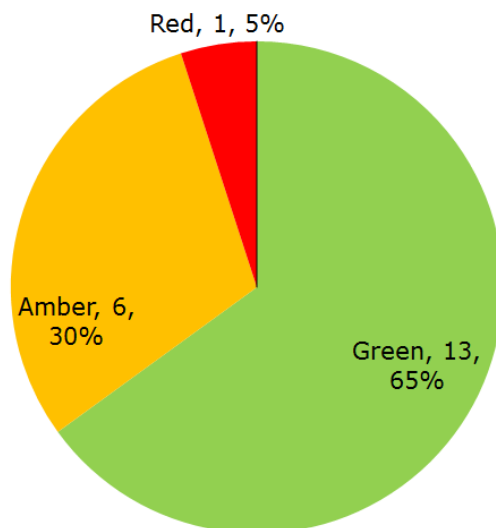
Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
Capital Maintenance – Oathall Community College	AMBER	Additional drainage and asbestos works leading to costs in excess of budget	GREEN	Change Request approved to allocate additional funding from existing Education Capital Maintenance budget
Parklands Primary School	AMBER	Project completed. Persistent and significant defects requiring additional scrutiny. Highlight report requested until issues resolved	AMBER	New contractor appointed to address persistent and significant defects.
Bramber Primary School	AMBER	Severe weather conditions causing delay in completion of works	AMBER	Further delays caused by high levels of flint in the groundworks and possible need for irrigation works
Littlegreen School	RED	Quality issues with foundations and drainage	RED	Children accommodated safely on site. Scope and cost of further works to be confirmed



8. 6 projects submitted highlight reports at the end of March. 4 of the schemes in delivery were rated **GREEN**, indicating that the project is reporting to plan. 2 projects were rated as **AMBER**, indicating that there are issues having an effect on the projects, but that it can be dealt with by the project manager or project delivery team. The table below sets out the reason individual project/s were rated **AMBER** and provides an update on the latest position:

Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
Carbon Reduction	AMBER	Delay and potential additional costs caused by financial liquidation of the main contractor	GREEN	Subcontractor progressing works
Lancing Library	AMBER	Variation in design required, leading to increase in costs	GREEN	Project delivered, additional costs met through existing allocations

Highways and Infrastructure

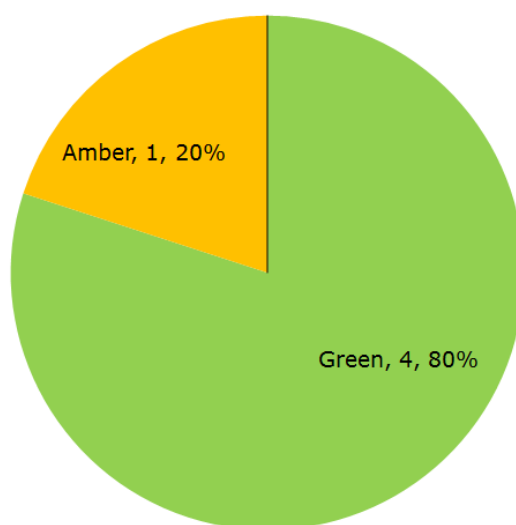


9. 20 projects submitted highlight reports at the end of March. 13 of the projects in delivery were rated **GREEN**, indicating that the project is reporting to plan. 6 were rated as **AMBER**, indicating that there are issues having an effect on the projects, but that they can be dealt with by the project manager or project delivery team. 1 project was rated as **RED**, indicating that there are significant issues with the projects, requiring corrective action.

10. The table below sets out the reason individual projects were rated **AMBER** and **RED** and provides an update on the latest position.

Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
Better Connected Broadband	AMBER	Delay in project completion caused by issues with contractor invoicing arrangements	RED	Profiled delivery delayed due to contractor planning processes. Contractor change request process initiated to set contractual target completion date
A284 Lyminster Bypass	RED	Environment Agency requirements for flood mitigation causing changes in design leading to delay and additional cost	RED	
Carriageways (programme)	AMBER	Quality issues identified, being pursued with the contractor	GREEN	Quality issues being managed within contractual arrangements
Three Bridges Signals Refurbishments	AMBER	Delays caused by severe weather during March leading to re-profiling of works into 18/19	GREEN	
Even Better Pavements	AMBER	Delays caused by severe weather during March leading to re-profiling of works into 18/19	GREEN	
Pothole Action Fund	AMBER	Costs lower than expected leading to unspent allocation being re-profiled to 2018/19	GREEN	
Road Safety (programme)	AMBER	Delays caused by severe weather during March leading to re-profiling of works into 18/19	GREEN	

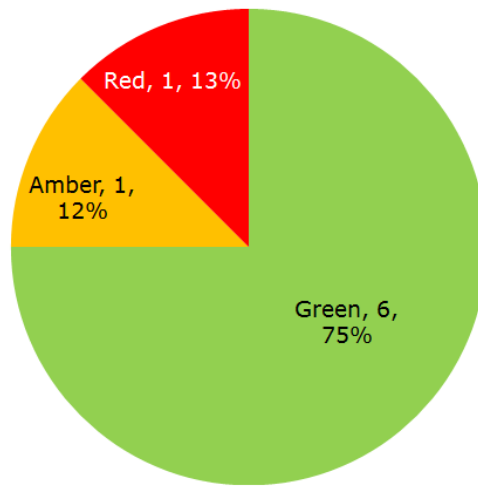
Leader



11. 5 projects submitted highlight reports at the end of March. 4 of the projects in delivery were rated **GREEN**, indicating that the project is reporting to plan. 1 was rated as **AMBER**, indicating that there is an issue having an effect on the project, but that they can be dealt with by the project manager or project delivery team.

12. The table below sets out the reason individual project was rated **AMBER** and provides an update on the latest position.

Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
Growth is Digital	AMBER	The scope and outcomes of the project change part way through the year and as a result not all of the original LEP was subsequently required	AMBER	Invoices and receipts are being reconciled prior to project closedown and a refund being issued to the LEP



13. 8 projects submitted highlight reports at the end of March. 6 of the projects were rated **GREEN**, indicating that the project is reporting to plan. 1 was rated as **AMBER**, indicating that there is an issue having an effect on the project, but that they can be dealt with by the project manager or project delivery team. 1 project was rated as **RED**, indicating that there is a significant issue with the project, requiring corrective action. The table below sets out the reason individual project/s were rated **AMBER** and **RED** and provides an update on the latest position:

Scheme	RAG at 31 Mar	Reason	Current RAG	Latest Update
YES – Solar Schools Programme 1	AMBER	Alternative design to increase the size of solar units leading to delay in implementation	AMBER	Installations to be complete by end of June 2018
Waste – Site Ha	RED	Project currently on hold as the facility may not be required	AMBER	RDF temporarily stored on adjacent site

Performance and Finance Select Committee

9 July 2018

Treasury Management Annual Report 2017/18
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Report by Director of Finance, Performance and Procurement

Executive Summary

County 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 2017/18 (*as contained within the approved Budget Report*). The attached treasury management annual report therefore 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).

In accordance with the revised Treasury Management Code of Practice (2017 update) it is proposed the scrutiny of the treasury management annual report is delegated from County Council to the Performance and Finance Select Committee (PFSC); this approach is to be approved by County Council on 20 July and the Council's Financial Regulations will be amended to reflect this change by the Regulation, Audit and Accounts Committee (RAAC) on 23 July 2018.

Additionally, the Treasury Management Panel has reviewed the content of the annual report before submission to PFSC.

Treasury Management Strategy (2017/18)

The Council has substantial amounts of investments and borrowings 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.

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 2017/18 by County Council in February 2017.

The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and the associated regulations (including CIPFA Codes of Practice). The Ministry for Housing, Communities and Local Government's (MHCLG) "Investment Guidance" emphasises the need for investments to focus on security and liquidity, rather than yield. It also recommends that treasury management strategies include details of assessing credit risk, reasons for borrowing in advance of need and the use of treasury

management advisors.

During 2017/18 the Council complied with all of the 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 2017/18:

- **Borrowing:** Given the differential between the cost of new Public Works Loan Board (PWLB) borrowing against the return generated on the Council's investments, the use of internal resources in lieu of external borrowing continued to be the most cost effective means of funding 2017/18 capital expenditure (core programme and income generating initiatives). £7m (plus interest) was however repaid to the PWLB as per the terms and conditions of the £70m borrowing taken during April 2011.
- The Treasury Management Strategy allows occasional short-term borrowing to cover day-to-day cash flow shortages. On one occasion during 2017/18 the Council's overdrawn position of its main bank account held with Lloyds exceeded £1m which in accordance with the Treasury Management Strategy represented short-term borrowing for a period of one working day. On all other occasions daily overdrawn balances within the Council's main bank account were met from balances held in the Council's instant access bank accounts and short-term Money Market Funds.
- At 31 March 2018 the Council's PWLB borrowing (external borrowing for capital purposes) was £395.9m (£402.9m at 31 March 2017). Interest payable to PWLB during 2017/18 was £18.1m at an average rate of 4.55%.
- **Investments:** Security of capital remained the primary objective for all of the Council's internally managed investments; externally managed investments (pooled funds) continued to be approved to help mitigate the effects of low investment returns. The investment strategy was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy for 2017/18. At 31 March 2018 the Council's investments totalled £253.9m (£258m at 31 March 2017). Gross investment interest received during 2017/18 was £2m, representing a return of 0.68% on an average investment portfolio of £291.2m.

WSSC Average Investments	2016/17		2017/18	
	£'m	%	£'m	%
UK Banks: Unsecured Deposits	63.6	22.5	88.6	30.4
UK Banks: Secured Deposits	19.9	7.1	13.4	4.6
Non-UK Banks: Unsecured	58.0	20.6	44.4	15.2
Non-Bank Corporates	7.5	2.7	3.7	1.3
Local Authority	33.4	11.8	59.3	20.4
Money Market Funds	78.5	27.8	56.6	19.4
Externally Managed Pooled Funds	20.9	7.4	25.0	8.6
UK Municipal Bond Agency	0.2	0.1	0.2	0.1
Total	282.0	100.0	291.2	100.0

Recommendation

That the Committee reviews, comments on and supports the treasury management annual report.

Treasury Management Annual Report (2017/18)

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 2017/18. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 In accordance with the Code, the Council defines treasury management as: *"The management of the Council's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks"*.
- 1.3 The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report provides details of the outturn position for the Council's treasury management activities in accordance with policies previously approved by members. The Council's Treasury Management Strategy for 2017/18, originally approved by County Council on 17 February 2017, can be accessed on: <http://www2.westsussex.gov.uk/ds/cttee/cc/cc170217i5c.pdf>
- 1.4 The Council confirms that it has complied with the requirement under the Code to give prior scrutiny to the 2017/18 Annual Report by the Treasury Management Panel before being presented to the Performance and Finance Select Committee (Panel meeting dated 14 June 2018). Panel member training on treasury management issues was undertaken during the year on 3 July 2017 in order to support the members' scrutiny role.

2. The Economy and Interest Rates

- 2.1 During 2017, there was a major shift in financial market expectations in terms of how soon the Bank of England's (BoE) Bank Rate would start on a rising trend. UK economic growth was disappointingly weak in the first half of 2017, mainly due to the sharp increase in inflation caused by the devaluation of sterling after the EU referendum feeding increases into the cost of imports into the economy. This caused a reduction in consumer disposable income and spending power as inflation exceeded average wage increases. Consequently the services sector of the economy, accounting for around 75% of UK Gross Domestic Product (GDP) saw weak growth as consumers responded by cutting back on their expenditure. However, growth did pick up modestly in the second half of 2017. Accordingly there was a significant increase in market expectations that the BoE's Monetary Policy Committee (MPC) would imminently raise the Bank Rate as supported by the minutes of the September 2017 MPC meeting. The November 2017 MPC meeting (alongside the publication of the BoE's quarterly Inflation Report) duly delivered by raising Bank Rate from 0.25% to 0.50%.

2.2 Investment Rates: Following the Bank Rate rise in November 2017, minutes from the February 2018 meeting revealed another sharp hardening in MPC warnings of a more imminent and faster pace of increases in Bank Rate than had previously been expected. Market expectations for increases in Bank Rate therefore shifted considerably during the final quarter of 2017/18 and resulted in three to twelve month investment rates increasing sharply during the last two months of the year; 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
01/04/2017	0.25	0.10	0.11	0.13	0.21	0.37	0.59
30/04/2017	0.25	0.10	0.11	0.13	0.20	0.35	0.55
31/05/2017	0.25	0.10	0.11	0.13	0.17	0.31	0.51
30/06/2017	0.25	0.09	0.11	0.13	0.18	0.34	0.56
31/07/2017	0.25	0.10	0.12	0.13	0.16	0.30	0.50
31/08/2017	0.25	0.10	0.11	0.13	0.15	0.28	0.47
30/09/2017	0.25	0.10	0.11	0.13	0.21	0.37	0.60
31/10/2017	0.25	0.10	0.26	0.30	0.33	0.44	0.66
30/11/2017	0.50	0.35	0.36	0.37	0.40	0.47	0.66
31/12/2017	0.50	0.34	0.36	0.37	0.40	0.45	0.64
31/01/2018	0.50	0.35	0.36	0.37	0.40	0.48	0.68
28/02/2018	0.50	0.35	0.36	0.37	0.46	0.57	0.78
31/03/2018	0.50	0.35	0.36	0.39	0.59	0.70	0.88
Minimum	0.25	0.09	0.10	0.12	0.14	0.27	0.46
Average	0.35	0.20	0.22	0.23	0.29	0.40	0.61
Maximum	0.50	0.35	0.37	0.39	0.59	0.70	0.88
Spread	0.25	0.26	0.27	0.27	0.45	0.43	0.42

2.3 Borrowing Rates: Public Works Loan Board (PWLB) borrowing rates increased correspondingly to the above developments with the shorter term rates increasing more sharply than longer term rates; 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
01/04/2017	129/17	0.85	1.25	1.93	2.57	2.62	2.37
30/04/2017	164/17	0.82	1.23	1.91	2.57	2.63	2.37
31/05/2017	206/17	0.85	1.17	1.82	2.49	2.54	2.28
30/06/2017	250/17	1.08	1.43	2.06	2.68	2.73	2.46
31/07/2017	292/17	0.98	1.34	2.02	2.66	2.72	2.47
31/08/2017	336/17	0.90	1.22	1.86	2.52	2.58	2.32
30/09/2017	378/17	1.14	1.59	2.18	2.74	2.79	2.52
31/10/2017	422/17	1.17	1.59	2.17	2.73	2.77	2.48
30/11/2017	466/17	1.23	1.66	2.20	2.73	2.77	2.49
31/12/2017	502/17	1.16	1.56	2.06	2.59	2.65	2.38
31/01/2018	044/18	1.33	1.82	2.30	2.71	2.75	2.46

28/02/2018	084/18		1.38	1.90	2.37	2.75	2.77	2.46
31/03/2018	127/18		1.47	1.85	2.23	2.55	2.57	2.29
Minimum			0.80	1.14	1.78	2.46	2.52	2.25
Average			1.11	1.50	2.08	2.64	2.69	2.41
Maximum			1.51	2.01	2.53	2.90	2.93	2.64
Spread			0.71	0.87	0.75	0.44	0.41	0.39

3. Overall Treasury Position

3.1 At the beginning and the end of 2017/18 the Council's actual treasury position (excluding borrowing by PFI and finance leases) was as follows:

	31/03/17 Actual £'m	31/03/18 Actual £'m
Borrowing Requirement	448.4	470.3
Less: Long-Term Debt (PWLB)	-402.9	-395.9
Less: Short-Term Debt (Non-PWLB) - <i>Paragraph 3.4</i>	-4.2	-4.6
Internal Borrowing	41.3	69.8
Total Investments	258.0	253.9

3.2 Total investments as reported in paragraph 3.1 (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 to be shown at either amortised cost (inclusive of accrued interest) or at fair value on the Council's Balance Sheet.

3.3 The movement in the Council's internal borrowing during 2017/18 is detailed below:

	£'m
Internal Borrowing (as 31 March 2017)	41.3
2017/18 Capital expenditure (<i>to be funded through borrowing</i>)	30.5
Repayment of PWLB Debt (EIP Loans)	7.0
Change (increased) Short-Term Debt - <i>See paragraph 3.4</i>	-0.4
Revenue Provision for Repayment of Debt	-8.6
Internal Borrowing (as 31 March 2018)	69.8

3.4 Throughout 2017/18 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.

4. Treasury Management Strategy (2017/18)

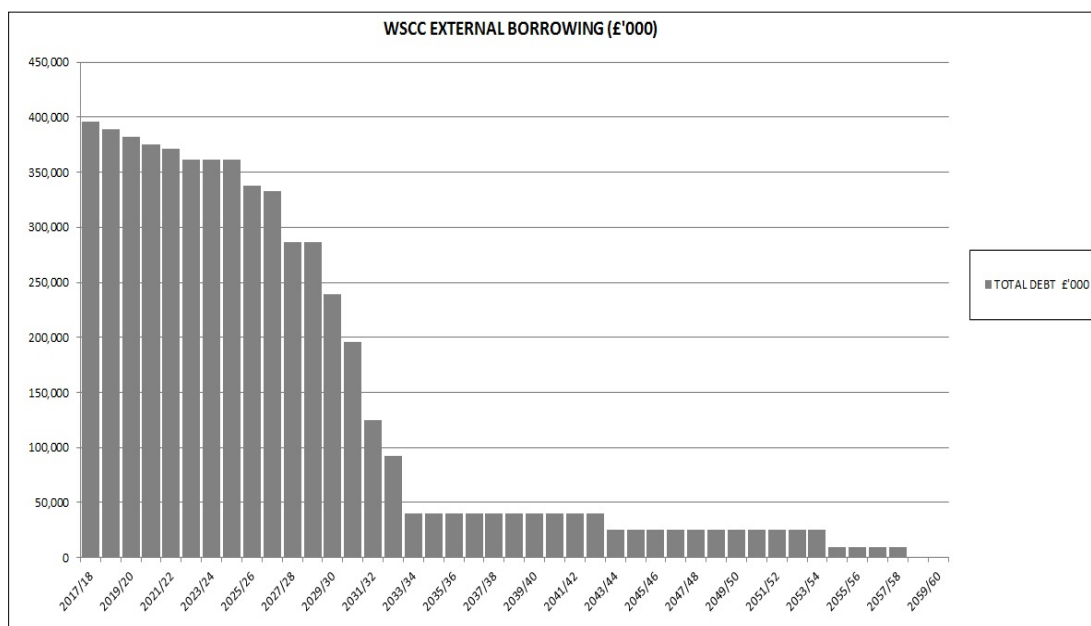
4.1 Throughout 2017/18 the Council complied with all of the relevant statutory and regulatory requirements which require officers to identify and where

possible quantify the levels of risk associated with its treasury management activities. No changes were made to the Council's treasury management strategy as originally approved in February 2017.

- 4.2 Whilst the actual movement in the BoE Bank Rate (and corresponding investment rates) is evidenced in paragraph 2.2, the treasury management strategy was originally approved on the expectation that the Bank Rate would remain at 0.25% throughout 2017/18 and not start rising from this rate until the first quarter of 2019/20 (and then only increasing once more before March 2020). Apart from a small year-end dip at 31 March 2018, a gradual rise in borrowing rates throughout 2017/18 (paragraph 2.3) was in line with the strategy forecasts, with fixed borrowing rates forecast to continue their gradual rise during 2018/19 and 2019/20.
- 4.3 A cautious approach was maintained regarding internally managed investments throughout 2017/18, whereby investments continued to be dominated by low counterparty risk considerations resulting in relatively low returns throughout the period; investment alternatives however, including externally managed pooled funds, continued to be used to help mitigate the effects of 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 in 2017/18 (a continuation of the Council's internal borrowing strategy).
- 4.4 The Council's prudential and treasury indicators (as approved within 2017/18 treasury management strategy; and revised within the 2018/19 treasury management strategy) are reported at Appendix A.

5. Borrowing

- 5.1 In accordance with the approved treasury management strategy (paragraph 4.3) no new external long-term borrowing for capital purposes was undertaken during 2017/18. £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 2018 (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 £395.9m (£402.9m at 31 March 2017) with the following maturity profile:



- 5.3 Interest payable to the PWLB relating to the Council's long-term borrowing amounted to £18.1m in 2017/18 (£18.3m in 2016/17) representing an average interest rate of 4.55%. If the Council had externalised its internal borrowing on 1 April 2017 (£69.8m; paragraph 3.3) it is estimated that the additional revenue cost in 2017/18 relating to interest payments would have been £1.7m (based on a 50 year PWLB maturity loan at 2.37%; paragraph 2.3).

6. Investments

- 6.1 The Council's investment policy is governed by MHCLG guidance, which has been implemented in the Council's "Annual Investment Strategy" (as contained within the approved 2017/18 Treasury Management Strategy). This strategy limits the monetary amount and time duration 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).
- 6.2 In accordance with MHCLG Investment Guidance the security and liquidity of the Council's internally managed investments remained primary investment objectives. 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 must hold a credit rating of A+ or higher). The 2017/18 investment strategy further approved investments in BBB+ rated institutions including the Royal Bank of Scotland (given the part nationalised status of the bank) and non-financial organisations (corporates). The total level of internally managed investments with organisations rated below A- being limited to a maximum of £30m.

6.3 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, new investments agreed during 2017/18 included:

Non-Bank:

- Short-term investments (up to a maximum of one year) with other UK local authorities: Birmingham City Council, Cambridgeshire County Council, City of Lincoln Council, Dorset County Council, Fife Council, Gloucester City Council, Northamptonshire County Council, Nottingham City Council, Reading Borough Council, Thurrock Borough Council and Transport for London (TfL).
- Fixed Rate bonds with Corporates (assigned a BBB+ credit rating or above): Daimler AG (Germany) and Vodafone Group plc (UK).
- The Council maintained its long-term investments with Lancashire County Council and Wolverhampton City Council (both investments due to mature in the first half of 2019) and in the CCLA Local Authorities Property Fund (investment commenced March 2017; minimum 5-year investment horizon).

Bank Secured:

- Covered fixed-rate bond (short-term) with Yorkshire Building Society.
- The Council continued to hold a long-term covered bond (3-year floating rate note) with Nationwide Building Society (purchased April 2016).

Bank Unsecured:

- Short-term fixed deposits with UK banks: Close Brothers Ltd, Coventry Building Society, Goldman Sachs International Bank and Nationwide Building Society (a 12-month Royal Bank of Scotland certificate of deposit purchased in March 2017 was held until agreed maturity date).
- The Council maintained the deposits held in both the HSBC 3-month notice account and the Lloyds 175-day notice account throughout 2017/18 (additional £5m deposited into the Lloyds notice account during the year).
- Instant access accounts, fixed-term deposits, certificate of deposits 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); United Overseas Bank (Singapore); Svenska Handelsbanken (Sweden); UBS (Switzerland).
- Money Market Funds holding an AAA credit rating, operating a constant net asset valuation and holding underlying assets in excess of £1bn: Aberdeen, Blackrock, Deutsche, Federated (UK), Goldman Sachs, Standard Life and State Street sterling liquidity funds.

Investment Activity in 2017/18	Balance on 1st April (£m)	Investments Made (£m)	Investments Sold (£m)	Balance on 31st March (£m)
UK Banks: Unsecured Deposits	74.5	95.2	-110.0	59.7
UK Banks: Secured Deposits	7.9	10.4	0.0	18.3

Non-UK Banks: Unsecured	30.0	116.9	-87.7	59.2
Non-Bank Corporates	12.2	8.8	-21.0	0.0
Local Authority	54.0	99.8	-100.8	53.0
Money Market Funds	54.9	911.0	-927.1	38.8
UK Municipal Bond Agency	0.2	0.0	0.0	0.2
Total (Exc. Property Funds)	233.7	1,242.1	-1,246.6	229.2
Ultra-Short Dated Bond Funds	15.1			15.0
Property Funds	9.2			9.7
Total Investments	258.0			253.9

6.4 Investments made in 2017/18 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 safe custody arrangements administered by King and Shaxson.

6.5 Credit Risk: In demonstrating compliance against the approved treasury management strategy during 2017/18, 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	2016/17	2017/18			
	31.03.17 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
AAA (i)	62.8	59.7	49.3	63.6	57.1
AA	10.0	10.0	0.0	0.0	0.0
AA- (ii)	89.0	109.0	91.8	106.0	118.7
A+	0.0	8.5	8.5	8.5	8.5
A	44.5	74.5	74.6	44.6	44.7
A-	12.2	0.0	5.0	0.0	0.0
BBB+	15.0	15.0	15.0	15.0	0.0
Externally Managed Funds	24.3	24.4	24.5	24.7	24.7
UK Municipal Bond Agency	0.2	0.2	0.2	0.2	0.2
Total Investments	258.0	301.3	268.9	262.6	253.9

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

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

6.6 Furthermore, the 2017/18 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	2016/17	2017/18			
	31.03.17 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
Australia	0.0	20.0	30.0	30.0	20.0
Canada	5.0	0.0	0.0	0.0	14.9
Germany	0.0	0.0	5.0	0.0	0.0

Singapore	10.0	0.0	5.0	10.0	10.0
Sweden	15.0	15.0	0.0	0.0	5.8
Switzerland	0.0	8.5	8.5	8.5	8.5
Total (Non-UK)	30.0	43.5	48.5	48.5	59.2
UK (including Local Authority)	148.6	181.4	164.7	143.9	131.0
Money Market Funds	54.9	51.8	31.0	45.3	38.8
Externally Managed Funds	24.3	24.4	24.5	24.7	24.7
UK Municipal Bond Agency	0.2	0.2	0.2	0.2	0.2
Total Investments	258.0	301.3	268.9	262.6	253.9

6.7 Counterparty credit quality can be further demonstrated by a benchmarking analysis of the Council's investment portfolio (*excluding the Council's CCLA Property Fund and UK Municipal Bond Agency investments*) undertaken by the Council's treasury management advisor-Link Group (Link Asset Services):

Benchmarking Date: 31 March 2018	Weighted Average Rate of Return	Weighted Average Time to Maturity (days)	Weighted Average Total Time (days)	Weighted Average Credit Risk
Link Client Population Average	0.61%	87	184	3.10
English Counties (Link Clients)	0.60%	85	176	2.71
West Sussex County Council	0.69%	133	282	2.62

6.8 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 investment portfolio compares favourably against the average for all Link clients and remains comfortably within their recommended credit risk score range.

6.9 Liquidity Risk: In keeping with MHCLG's Investment Guidance, the Council manages its liquidity position through the setting and approval of prudential and treasury indicators and the approval of the treasury and investment strategy reports. 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 2017/18 is shown below:

Period to Maturity	2016/17	2017/18			
	31.03.17 £'m	30-Jun £'m	30-Sep £'m	31-Dec £'m	31-Mar £'m
Instant Access Accounts	54.9	51.8	31.0	45.3	44.6
Up to one month	20.0	0.0	60.0	15.0	33.9
One month to 3 months	42.2	75.0	22.8	73.0	40.0
3 months to 6 months	69.5	74.5	62.6	68.5	34.7
6 months to 1 year	23.0	51.5	43.9	12.0	57.9
Greater than 1 year	33.3	33.4	33.5	33.7	27.8

Ultra-Short Dated Bond Fund	15.1	15.1	15.1	15.1	15.0
Total Investments	258.0	301.3	268.9	262.6	253.9

- 6.10 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. On one occasion during 2017/18 the Council's overdrawn position of its main bank account held with Lloyds exceeded £1m (£3.9m overdrawn on 25 September 2017) which in accordance with the treasury management strategy represented short-term borrowing for a period of one working day. No charge was incurred as a result of this overdrawn position; as reported to the Regulation, Audit and Accounts Committee within the 2017/18 (Second Quarter) Treasury Management Compliance Report and the Performance and Finance Select Committee within the 2017/18 Mid-Year Report.

7. Investment Performance

- 7.1 The Council's budgeted investment income as originally approved in the 2017/18 Revenue Budget amounted to £1.6m; reduced from £1.9m in 2016/17 reflecting the expectation that the Bank Rate would remain at 0.25% throughout 2017/18 (paragraph 4.2). The original estimate of 2017/18 gross investment income (before any adjustments for internal/external interest transfers) was £1.8m, based on the assumption that the Council could achieve an average interest rate of 0.77% on an assumed average investment portfolio of £230m. Additionally the investment income budget (as originally reported) included an estimated £0.2m in respect of interest transfers to/from internal and external reserve balances held by the Council.

Investment Income: Original Forecast (February 2017)	£'m
Expected interest receipts on investment portfolio	1.8
Budgeted transfer to/from specific reserves	-0.2
Revenue Budget 2017/18 (Investment Income)	1.6

- 7.2 Throughout 2017/18 the Council maintained average investment balances of £291.2m (£282m in 2016/17). At 31 March 2018 the Council's gross investment income amounted to £2.0m (£1.9m in 2016/17) at an average rate of return of 0.68%. Higher balances available for investment (as compared with the original £230m estimate) were in the main a consequence of the Council holding additional monies on behalf of the Local Enterprise Partnership (LEP) which were not factored into the original investment income forecast.
- 7.3 At 31 March 2018, £0.4m interest was paid to third parties (including the LEP and Chichester Harbour Conservancy) and other internal balances held by the Council (including PFI reserves and school accumulating funds). As a result the actual performance of investment income throughout 2017/18 as compared against the original Revenue Budget forecast (paragraph 7.1) is summarised below:

	£'m
Expected Interest Receipts on Investment Portfolio	1.8
Lower rate of return than assumed budgeted rate (-0.09%)	-0.2
Higher average investment portfolio than budgeted (at 0.77%)	0.4
Actual Interest Received on Investment Portfolio	2.0
Interest paid to third parties, internal reserves and LEP	-0.4
Net Interest Received (2017/18)	1.6
Revenue Budget 2017/18 (Paragraph 7.1)	1.6
Additional Interest/Shortfall(-)	0.0

7.4 The actual interest shortfall at 31 March 2018 (£49,000) was offset by other revenue underspends with no transfer required from the Interest Smoothing reserve (reserve balance at 31 March 2018 totalled £830,000).

7.5 Externally Managed Pooled Funds: At 31 March 2018 the Council held investments within the following pooled funds:

Fund	Type	Rating	Fund Size	Maximum Allowable Investment (31/03/18)	Current Investment (Market Valuation)
CCLA	Property	n/a	£976m	£15m	£9.7m
Payden	Ultra-Short Dated Bond	AAA	£383m	£19m	£15.0m

7.6 An overview of the investment activity in the Council's externally managed pooled funds during 2017/18 is shown below:

Fund	Market Valuation 31-Mar-17	Payments in/out(-)	Market Gain/Loss(-)	Dividends Received	Average Dividend Return
CCLA	£9.2m	£0m	£0.5m	£0.4m	4.47%
Payden	£15.1m	£0m	-£0.1m	£0.1m	0.69%

8. Resource and Value for Money Implications

Covered in main body of report.

9. Risk Management Implications

Covered in main body of report.

10. Human Rights Act Implications

Not applicable.

11. Crime and Disorder Act Implications

Not applicable

Katharine Eberhart

Director of Finance, Performance and Procurement

Contacts:

Vicky Chuter, ext no: 23414

Jon Clear, ext. no: 23378

Appendix

A Prudential and Treasury Indicators (Compliance)

Background Papers

None

APPENDIX A**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 2017/18 Capital Financing Requirement plus the estimates of any additional Capital Financing Requirement for 2018/19 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 2018 the Council's gross external debt has not exceeded its Capital Financing Requirement:

	Original Estimate 2017/18 £'000 (TMSS-17/18)	Revised Estimate 2017/18 £'000 (TMSS-18/19)	Actual 31 Mar 18 £'000
Capital Expenditure (2017/18)	194,868	116,148	98,027
Capital Financing Requirement	687,647	639,393	575,904
Gross External Debt (including short/long-Term Borrowing, PFI and Finance Leases)	583,910	508,653	506,145

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 2017/18 £'000 (TMSS-17/18)	Revised Estimate 2017/18 £'000 (TMSS-18/19)	Actual 31 Mar 18 £'000
External Borrowing (Capital)	660,270	395,866	395,866
External Borrowing (Other)	44,000	44,500	4,623
PFI Schemes & Finance Leases	110,423	108,287	105,656
Authorised Borrowing Limit	814,693	548,653	506,145

- 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 the additional £40m headroom included within the Authorised Limit required in meeting unusual (short-term) cash flow movements.

	Original Estimate 2017/18 £'000 (TMSS-17/18)	Revised Estimate 2017/18 £'000 (TMSS-17/18)	Actual 31 Mar 18 £'000
External Borrowing (Capital)	469,487	395,866	395,866
External Borrowing (Other)	4,000	4,500	4,623
PFI Schemes & Finance Leases	110,423	108,287	105,656
Operational Borrowing Limit	583,910	508,653	506,145

- 2.3 Whilst in total the Council confirms that there were no breaches of the Operational and Authorised Borrowing Limits during 2017/18, amounts invested by the Chichester Harbour Conservancy at 31 March 2018 were higher than the Council's original and revised estimates for this external borrowing (other) total. Within the Operational Borrowing Limit the higher than estimated short-term borrowing was offset by technical accounting entries required to the Council's PFI schemes during the final quarter of 2017/18; reducing the associated PFI liability from that originally forecast.

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 2017/18	Actual Position 31 Mar 18
Maximum % Borrowing at Fixed Rates	100%	99%
Maximum % Borrowing at Variable Rates	25%	1%
Maximum % Investments at Fixed Rates	100%	58%
Maximum % Investments at Variable Rates	85%	42%

- 3.3 The Council confirms that there were no breaches of these limits during 2017/18.

4 Maturity Structure of Fixed Rate Borrowing

- 4.1 This indicator highlights the existence of any large concentrations of fixed rate 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 2017/18 (%)	Upper Limit 2017/18 (%)	Actual Fixed Rate Borrowing 31 Mar 18 (£'000)	Fixed Rate Borrowing 31 Mar 18 (%)
Over 30 Years	0%	30%	25,000	6%
Over 25 to 30 Years	0%	20%	15,000	4%
Over 20 to 25 Years	0%	15%	0	0%
Over 15 to 20 Years	0%	50%	52,231	13%
Over 10 to 15 Years	0%	60%	194,143	48%
Over 5 to 10 Years	0%	40%	74,913	19%
Over 1 to 5 Years	0%	35%	27,563	7%
Under 12 Months	0%	25%	11,639	3%
			400,489	100%

- 4.2 The Council confirms that there were no breaches of these limits during 2017/18.

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 2017/18	Revised Limit (TMSS- 18/19)	Actual Position 31 Mar 18
Maximum invested for longer than a year (£)	£45m	£75m	£33.8m

- 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 6.9 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 2017/18.

Performance and Finance Select Committee
9 July 2018
Contract Management Task and Finish Group (TFG)
Report by Chairman of the TFG

Executive Summary

The annual scrutiny work programme identified contract management processes at the Council as a key priority topic for 2018/19. Performance and Finance Select Committee agreed to set up a Task and Finish Group to scrutinise this issue. The Group met three times and reviewed the proposals for transforming the contract management processes currently in place. This includes the establishment of a central-led team.

The TFG supported the new operating model, have made a number of recommendations to ensure the success of the new model and have identified a new process for member oversight of contract management processes.

The focus for the Committee is to review the recommendations of the TFG and determine whether these should be put to the Cabinet Member for Finance and Resource for consideration.

Recommendations

The Committee is asked to review the findings of the TFG and support the recommendations below:

- 1) That the new operating model is implemented across the organisation;
- 2) That the TFG reconvenes in 12 months to review how the new model has been embedded and that the improvements to systems have taken place;
- 3) That staff skills and capabilities are recognised as key components to the success of the new structure, particularly in relation to commercial awareness and risk;
- 4) That contract risk needs to be fully understood by all contract managers and systems are in place to escalate risk reporting when necessary;
- 5) That one source of information in relation to basic contracts information, as described in para 2.7 above, is developed and made easily accessible;
- 6) That outcome focussed KPIs are developed for new and amended contracts in order to measure performance effectively;
- 7) That the standardised and enhanced contract monitoring in terms of performance and financial health should be embedded across all contracts and that staff need to be sufficiently skilled to recognise any issues for resolution

early;

- 8) That a new system of member involvement is developed whereby the Business Planning Groups of all the Select Committees review the contract performance information of the County's Top 20 contracts relevant to their responsibilities;
- 9) That the Performance and Finance Select Committee should have a more proactive over-arching role in relation to any strategic contract management and performance concerns across the organisation and through referrals from service select committees or Business Planning Groups; and
- 10) That the new system for member involvement is reviewed when the TFG reconvenes in twelve months' time.

1. Introduction

- 1.1 The Contract Management TFG was established in response to issues raised at the Scrutiny Work Programme Planning event held in September 2017. The Business Planning Group of the Performance and Finance Select Committee agreed that the issue should be included to its work programme and that the most effective way of reviewing processes was to establish a working group to examine the issues in depth.
- 1.2 Roger Elkins was appointed as the Chairman of the Group. Other Members of the Group were Duncan Crowe, Joy Dennis, Nigel Jupp, Kate O'Kelly, Chris Oxlade and James Walsh. The Terms of Reference as agreed by the Group at the first meeting are attached as Appendix A. The Group has held three meetings which have been supported by key officers, Katharine Eberhart Director of Finance, Performance and Procurement and Matthew Wigginton, Head of Procurement and Contract Services.
- 1.3 The key objectives of the Group were:-
 - Review the mechanisms in place for the planning, delivery and monitoring of contracts and the proposals for future arrangements,
 - Review how contract performance is managed and how contract deficiencies/issues are resolved,
 - Consider how Members can oversee and obtain assurance for the effectiveness of contract management arrangements.
- 1.4 Currently contracts are managed in a decentralised way across the Council within specific service areas. This has been recognised through work with the Strategic Partner (PWC) as having limitations and risks. The service is therefore in the process of implementing a new operating model which will introduce a new structure, attached as Appendix B. This new structure will involve a centre led/centralised system of contract management which aims to provide corporate oversight and controls, standardisation of procedures and investment in officer skills and capability. Standardised performance monitoring of contracts will also be developed as part of the new model. The Group has therefore concentrated its review on the new model rather than looking back at issues under the old structure.

- 1.5 As part of the evidence presented to the Group it received information on the Top 20 suppliers (by financial spend), see Appendix C, a summary of the findings of a recent Internal Audit report on the controls in place to manage these top 20 contracts and how the new model will improve systems in place.

2. Mechanisms in place for planning, delivery and monitoring of contracts

- 2.1. Contract management is a key activity across the organisation as in 2017 £743m was spent with 4,310 suppliers. It is therefore important to ensure that the mechanisms in place to plan, deliver and monitor contracts are effective.
- 2.2. Limitations have been recognised in the old structures as it was a largely reactive model therefore a new structure, based on Local Government Strategy guidelines is being implemented. The first step in the implementation is underway with staff workshops held to outline the new model and working arrangements and recruitment activity taking place for key officers to be in post by September 2018. This new structure aims to improve contract management through the development of a strategic, centralised contract management team to ensure best practice is adhered to across all services in the Council.
- 2.3. The objectives of this new model/structure are:
- Standard approach to contract management
 - Governance arrangements are clearly defined
 - Clear risk management approach is in place
 - Documented and understood contract management procedures exist and are implemented across the organisation.
 - Centre led team will lead on process and policy, ensure best practice is followed and provide additional resource capability to services for any key risk areas identified
 - All resources are grouped centrally and report through to a lead, senior officer.
- 2.4. The 2018/19 budget includes provision for this new model to be implemented, including resource for extra staffing.
- 2.5. Members discussed the new arrangements to be put in place and overall were satisfied that the new model would result in improvements to contract management across the organisation. They recognised that staff capability and training were key components to the success of the new model and wanted to ensure that commercial awareness and the recognition of contract risk were built into the recruitment process and training that takes place.
- 2.6. Members recognised that the early identification of risk and systems to escalate the risk were key to good contract monitoring. The understanding of contractual and supplier risk is currently identified as having "limited assurance" in the Internal Audit review of the Top 20 contracts. Members were therefore keen to ensure that management action is taken to improve this in the new structure arrangements.

- 2.7. Members had reviewed good practice guides provided by national organisations such as the LGA and NAO as part of their background research. As part of this research they highlighted the fact that information about the contracts in place should be easily accessible and available. Information should include who the contract is with, the services provided, value of the contract, length of the contract, when it is due to terminate and any provision for break clauses. Currently this is not available but plans are in place to develop one source of contract information that could be accessible via the Council's intranet. This would be a useful and informative document for both officers and members across the organisation.

Recommendations

- 2.8. That the new operating model is implemented across the organisation
- 2.9. That the TFG reconvenes in 12 months to review how the new model has been embedded and that the improvements to systems have taken place.
- 2.10. That staff skills and capabilities are recognised as key components to the success of the new structure, particularly in relation to commercial awareness and risk.
- 2.11. That contract risk needs to be fully understood by all contract managers and systems are in place to escalate risk reporting when necessary,
- 2.12. That one source of information in relation to basic contracts information, as described in para 2.7 above, is developed and made easily accessible.

3. Contract performance and resolution of contract issues

- 3.1 Members of the TFG received information in relation to the performance monitoring arrangements in place for the Top 20 contracts. This included a summary of the 'Flash Reports' which were produced following the collapse of Carillion. These reports highlighted the strengths and weaknesses of each of the contracts.
- 3.2 The new model will put in place enhanced performance and financial monitoring including:-
- Engaging with contract managers for strategic supplier reviews to ensure best value and performance,
 - Standardising contract performance
 - Increasing the frequency of financial health-checks
 - At least once a year for Top20 and other critical suppliers
 - On-going monitoring of approx. 85 suppliers through an 'active alert' system
 - Financial assessment undertaken if extending or amending a contract
 - Expanding financial diligence reviews
- 3.3 Members were keen to ensure that the monitoring information used was fit for purpose and stressed the need for outcome based KPIs. They were assured that the new model would ensure a more standardised focussed

system that would include regular and more in-depth monitoring of both contract performance and financial health. This more standardised system would ensure issues were identified and resolved as early as possible. This is again heavily reliant on the skills and capability of officers in agreeing contracts in the first place and also monitoring them through the contract term.

Recommendations

- 3.4 That outcome focussed KPIs are developed for new and amended contracts in order to measure performance effectively.
- 3.5 That the standardised and enhanced contract monitoring in terms of performance and financial health should be embedded across all contracts and that staff need to be sufficiently skilled to recognise any issues for resolution early.

4. Member oversight of contract management arrangements

- 4.1 Members considered how they could have a greater oversight of contract management across the organisation. They recognised that their role is at the strategic level and should not involve the operational day to day business of contracts. Their key concern was that they are sighted early when any issues occur.
- 4.2 A number of options were considered including the establishment of more specific Partnership Boards, similar to the Capita Partnership Board which already exists, or the introduction of one Strategic Partnership Board to oversee all contract issues across the organisation. However, the most appropriate solution put forward was to use the existing structures in place in relation to scrutiny. Therefore it is recommended that the relevant Business Planning Groups of the Select Committees review on a regular basis the County's Top20 (by value) contracts. Each BPG would review the contracts within its own area of responsibility. If they determine that there are significant issues being reported then they could refer the issue for formal scrutiny at a select committee meeting. Service specific issues would be reviewed by the individual select committee but any corporate issues could be referred for review to the Performance and Finance Select Committee's (PFSC) BPG. PFSC would have responsibility to review contract information relevant to its own portfolio areas through its BPG but also have a role in any corporate strategic issues around contract management which may be referred to them by a service select committee or one of the BPGs.
- 4.3 It is advised that the County's Top 20 (by value) contracts are looked at initially by the BPGs but that this could be extended to include critical service specific contracts as the system is developed and embedded across the organisation. They can be reviewed and modified by individual BPGs to meet their responsibilities as the processes are developed.
- 4.4 It was agreed by Members of the TFG that this process would ensure the wider membership are better involved in contract management and that the BPGs would gain ownership of the contracts relevant to their service portfolio areas without the need to create new governance systems.

- 4.5 It is also recommended that a standard template of information is produced for the BPGs. An example of the information that could be presented is attached as Appendix D.
- 4.6 This system of member engagement is reliant on the standard information being available for all contracts which will be developed through the new operating modal. It is therefore recommended that the system is reviewed when the TFG reconvenes in 12 months to assess whether this has improved member engagement and is a worthwhile addition to the system.
- 4.7 A Capita Partnership Board was established in 2013. The provision for such Partnership Boards is included within the Constitution in order to enable members to monitor and review contract performance on specific major contracts. Members of the TFG did not review the Capita Partnership Board in detail. However, they heard from officers that the Board had not met since late 2016 and that the Board had become too operationally involved in contract monitoring rather than taking a strategic view. It will be for the Cabinet Member for Finance and Resources to determine whether there is any value in amending the current remit of the Capita Partnership Board to ensure it is more strategic or whether the Board can be disbanded and the Capita contract is monitored using the recommended process outlined above.

Recommendations

- 5. That a new system of member involvement is developed whereby the Business Planning Groups of all the Select Committees review the contract performance information of the County's Top 20 contracts relevant to their responsibilities.
 - 5.1 That the Performance and Finance Select Committee should have a more pro-active over-arching role in relation to any strategic contract management and performance concerns across the organisation and through referrals from service select committees or Business Planning Groups.
 - 5.2 That the new system for member involvement is reviewed when the TFG reconvenes in twelve months' time.

6. Implications

- 6.1 There are resource implications in relation to the production of contract management information for the BPGs, however these should be addressed through the implementation of the new operating model and standardised systems for contract monitoring which are in the process of being implemented. There will also be a resource implication in relation to member time as the BPGs are being asked to look at new information around contracts. This will need to be monitored and reviewed in twelve months to ensure it is manageable.
- 6.2 There are no risk management, Crime and Disorder Act or Human Rights Act implications arising directly from this report. However, if any specific issues arise in relation to contract management these will be included and addressed through the risk management procedures of the organisation.

Roger Elkins

Chairman of the Contract Management TFG and Vice-Chairman of Performance and Finance Select Committee

Contact Susanne Sanger, 0330 22 22550

Appendices

- A Terms of Reference for the TFG
- B Proposed new operating model
- C Top 20 suppliers by value
- D Example performance information for BPGs

Background Papers

None

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Appendix A

Contract Management Scrutiny Task and Finish Group

Terms of Reference

1. Scope

The Scrutiny Work Programme Planning session in September 2017 identified contract management as an area of concern for Members. The Performance and Finance Select Committee's (PFSC) Business Planning Group (BPG) agreed to include the issue on its Work Programme which was approved at County Council in December. This fits within the remit of PFSC included within the Constitution as it has a responsibility to "consider the effectiveness of the Council's arrangements and systems for the management of contracts and for the scrutiny of the achievement of such commissioning outcomes as have been determined".

The purpose of the Task and Finish Group is therefore to:-

- 1) Review the mechanisms in place for the planning, delivery and monitoring of contracts and the proposals for future arrangements.
- 2) Review how contract performance is managed and how contract deficiencies/issues are resolved,
- 3) Consider how Members can oversee and obtain assurance for the effectiveness of contract management arrangements

The TFG will provide recommendations to the Performance and Finance Select Committee to consider before formally sending these to the Cabinet Member for Finance and Resources. The recommendations will be based on the corporate and service risks in managing contracts and the management of those risks.

The TFG will consider options and proposals for the role of the four Select Committees in contract management and the ways elected members may obtain assurance about the systems in place

The TFG will consider whether adequate governance and management arrangements are in place and are sufficient to meet the specific demands of managing large-scale contracts and partnering arrangements.

Key officers within West Sussex will be invited to attend the TFG to assist Members in understanding current and future proposals for contract management and where any improvements could be made. Specific contractual arrangements may be looked at as part of the review to understand the processes in place and consider how things could work differently.

2. Methodology

It is planned to hold two or three meetings of the TFG; one to understand the current arrangements and issues faced and one or two to assess proposals to improve the arrangements and agree the recommendations to be made. In order to do this Members will consider:

- The current structures in relation to how contracts are procured and managed across the County Council;
- The revised Contract Management Structure being developed

Agenda Item 11

Appendix A

- The efficiencies that could be made whilst also improving the process;
- Any change required to the performance monitoring arrangements
- Consideration of how Members could be involved in the process and how their role should be defined to add value to the arrangements.

3. Timetable

The proposal is to take the final report to the PFSC meeting in July (9th). This would enable TFG meetings to take place in March, April and May with the final report and recommendations to be agreed with the Group in June.

4. Membership

The Chairman, as agreed by the Business Planning Group of PFSC, is Roger Elkins.

The agreed membership of the TFG is:-

- Roger Elkins (Chairman)
- Duncan Crow
- Joy Dennis
- Nigel Jupp
- James Walsh
- Kate O'Kelly
- Chris Oxlade

5. Reporting arrangements

The TFG will report to the Performance and Finance Select Committee including any recommendations for the Committee including those for the Cabinet Member for Finance and Resources by July.

19 February 2018

Appendix B - Future Operating Model (Draft)

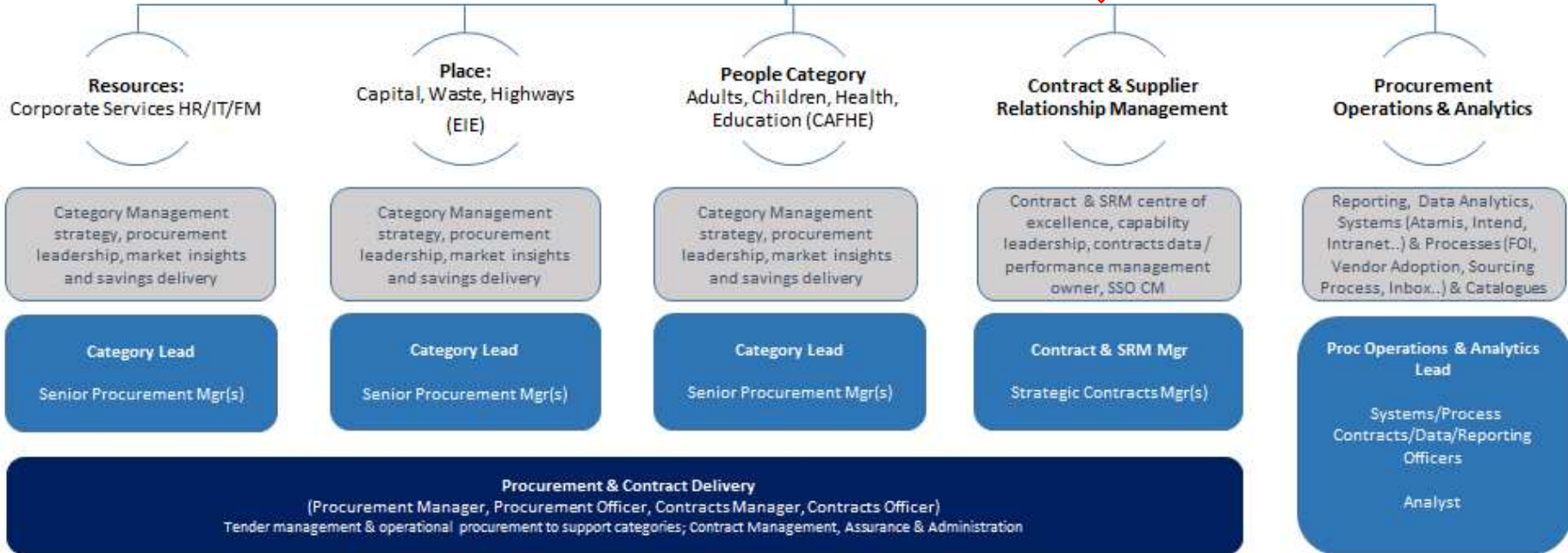


Procurement & Contract Management

Head of Procurement & Contract Management

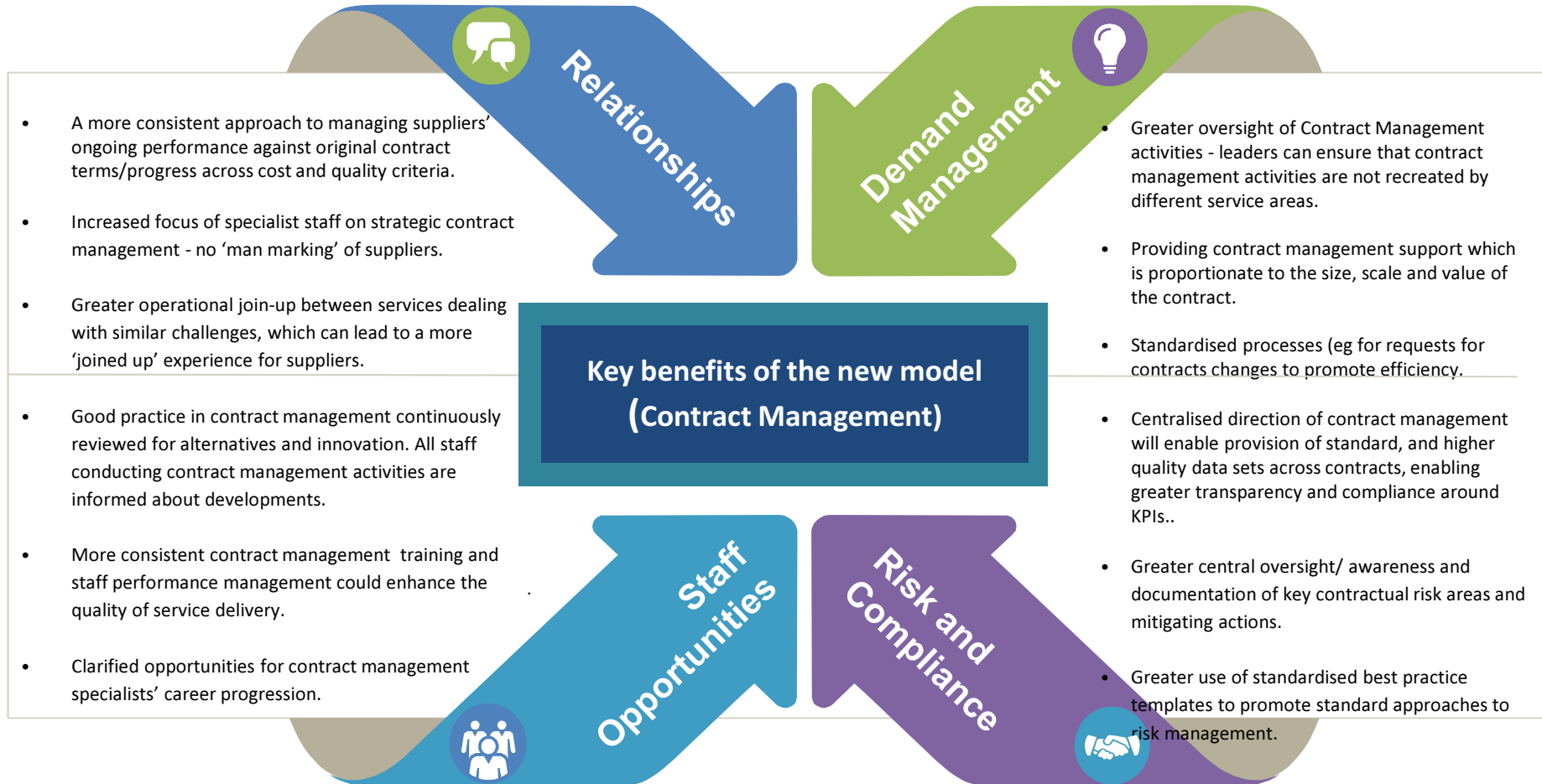
New Strategic Contract Management capability

- Direct engagement with business and hot desk/co-locate within client teams, as and when required
- Key principle: Proactive Stakeholder Engagement, high value add, commercial focus, sector/market expertise..



Strategic Benefits of the New Model - Contract Management (Draft)

Benefits from transitioning to a new way of working



Appendix c - Top 20 Suppliers 16/17

Supplier	Total Spend 16/17 £m	Service Provided	Ultimate Holding Company	CreditSafe Score	Term	Est TCv £M
BIFFA WASTE SERVICES	42.5	Waste Disposal services	BIFFA PLC		25yr	£900M
BALFOUR BEATTY LIVING PLACES	25.9	Highways maintenance contract	BALFOUR BEATTY PLC		10yr	£300M
CAPITA BUSINESS SERVICES	25.4	SSO & IT contract	CAPITA PLC		10yr	£200-250M
VIRIDOR	22.7	Waste recycling	PENNON GROUP PLC		25yr	£600M
SHAW HEALTHCARE WEST SUSSEX	20.6	Block contract and spot purchasing for Health & Social care provision	SHAW HEALTHCARE (GROUP) LIMITED		25yrs	£450-500M
TAY VALLEY LIGHTING	11.7	Streetlighting PFI	SSE PLC		25yrs	£300M
MANPOWER CAPITA	9.1	Agency staff contract	MANPOWER INC.		10yr	£90M
SUNNINGHILL CONSTRUCTION CO	8.5	Building works (capital)	None listed		Project Contract	N/A
CRAWLEY SCHOOLS	7.9	Crawley PFI	SUMITOMO MITSUI FINANCIAL GROUP INC		35yrs	£260M
STAGECOACH SERVICES	7.6	Concessionary Travel Scheme	STAGECOACH GROUP PLC		7yrs	£50M
SOUTHDOWN HOUSING ASSOCIATION	7.2	Supported Housing Block and Living provision for Adult Social Care	None listed		Contract completing	
NOTTINGHAM REHAB	6.7	Community Equipment Service contract	ACESO HEALTHCARE GROUP HOLDINGS LIMITED		7yrs	£32M
CHARTWELLS	5.5	Universal Infants Free School Meals	COMPASS GROUP PLC		10yrs	£50M
CGL	5.4	West Sussex Drug and Alcohol Wellbeing Network	None listed		5yrs	£25M
KIER CONSTRUCTION - SOUTHERN	5.2	Building works (capital)	KIER GROUP PLC		Project	N/A
METROBUS	4.8	Concessionary Travel Scheme, School Transport provision	THE GO-AHEAD GROUP PLC		7yrs	£30M
WILLMOTT DIXON CONSTRUCTION	4.5	Building works (capital)	HARDWICKE INVESTMENTS LIMITED		Project	N/A
ROYAL BANK OF SCOTLAN	4.4	Provider of range of banking and transaction sevices	THE ROYAL BANK OF SCOTLAND GROUP PUBLIC LIMITED COMPANY		7yrs	£20-30M
W STIRLAND	4.3	Building works (capital)	W. STIRLAND HOLDINGS LIMITED		Project	N/A
OUTREACH 3 WAY	4.1	Health & Social care provision	None listed		5yr	£20-25M
THE MCAVOY GROUP LTD	3.9	Building works (capital)	None listed		Project	N/A

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Contract		
Delivery Partnership (Capita)		
Supplier	Financial Standing	
Capita PLC	Green	
Description		
There are two contracts (SSO and ITO). The SSO contract delivers a range of back office support functions, comprising, Pensions Administration, Payroll, Business Services, HRMI, Online Service Delivery (website), Customer Service Centre, Procurement and Service Finance. The ITO contract will be harmonised with the SSO contract meaning that both will end in September 2022. In 2014 two services, Financial Adult Safeguarding and Welfare Benefit Advisers, were included as additional services under the SSO contract.		
Contract Duration	End	Break Clause
10 years	2022	No break clause for convenience or extension.
Spend 2016/17		
SSO/ITO Contract Spend April 16 to March 17 totals: £22,176,657		

Directorate Business Plan Objectives 2018 / 2019		
Measure	Target	Current
Ensure that our Delivery Partner (Capita) successfully delivers the outcomes	Contract Year 6 (Oct 17 - Sep 18)	On target
(a) Increase in overall satisfaction based on Customer Satisfaction Survey Results.	3.5	3.3
(b) Total Contract KPI pass rate (Contract Year 6 to date: Oct 17 - Mar 18)	92%	92.88%

Current Contract performance													
The Performance Regime was refined in 2016/17 and the overall number of PIs and KPIs was reduced to 103 KPIs and 24 PIs, in order to ensure there was a strong focus on current and future outcomes for each service area. The current rolling 12 months (Apr 17 - Mar 18) total pass rate of KPIs is 92.48% which reflects the County Council's overall performance expectations. The operational performance is closely correlated to customer satisfaction results for individual service areas. Any areas of poor performance are soon noticed by repeated failures of KPIs, which instigate a service improvement plan. There were two service improvement plans in place in contract year 5 in relation to Pensions Administration and Service Finance.	103 KPIs TOTAL	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18
	KPI Failures	8	9	6	5	9	7						
	KPI Pass Rate	92.23%	91.26%	94.17%	95.15%	91.26%	93.20%						

Strengths	Weaknesses
<ul style="list-style-type: none"> Data: quantitative and qualitative data is good with clearly defined data sources. Governance: The performance regime is supported by a rolling programme of audit and review. Individual annual service plans capture operational and transformation activity allowing for a forward looking approach. Employees are 'local' and majority are based within Council offices. There is a good degree of flexibility in order to accommodate WSCC changing requirements/ outcomes. 	<ul style="list-style-type: none"> Ongoing communication to wider organisation has been a challenge. A joint approach to communication and engagement has been agreed and a communications plan is in place. Contract variations can be complex and take time to agree, which has led to implementing a more robust approach to change under the governance structure. Getting the most out of the Partnership is dependent on operational practice.
Opportunities	Threats
<ul style="list-style-type: none"> Working closely allows WSCC to access capability and short term expertise through a compliant route. Scope of the contract allows for additional services to be included Partner Organisations can also benefit from the contract. 	<ul style="list-style-type: none"> Capita profit warning issued. There are exit plans in place across the contracts in accordance with the relevant contractual schedules to be used in the event of termination and/or any unforeseen circumstances.

Risks and Political Sensitivities
Failure in the service quality and/ or inability to maintain service continuity would impact external customers as well as staff. The contracts also provide a number of services to schools as well as partner organisations.

EXAMPLE DATA ONLY

Performance and Finance Select Committee
9 July 2018
Annual Scrutiny Performance 2017-18
Report by Director of Law and Assurance and Head of Democratic Services

Executive Summary

The annual Scrutiny Newsletter is attached as Appendix A. This summarises the work of the Select Committees in 2017-18 and reports the performance data for the end of year.

Recommendations

The Committee is asked to:

- a) Review Scrutiny performance and make any recommendations for improvements; and
- b) Consider its role in improving scrutiny practice and identify any training or development needs for Scrutiny Members.

1. Background

1.1 The Performance and Finance Select Committee has overall responsibility for monitoring the performance of the scrutiny function. It carries this out through the publication and review of the scrutiny newsletter, which is intended to provide members with information to fulfil this monitoring role. The newsletter provides an annual overview of the work of select committees, reports overall performance of the Scrutiny function, shares best practice and highlights any future development or training required by select committee members.

2. Scrutiny End of Year Newsletter for 2017-18

2.1 The end of year Scrutiny Newsletter is attached as Appendix A for Members' consideration. The newsletter covers:

- Select Committee Annual Survey Results
- Performance monitoring data for 2017-18
- What has worked well and areas for future development
- Overview of the key issues covered in the period
- Joint scrutiny arrangements
- Task and Finish Groups
- Future meeting dates 2018-19

2.2 The newsletter provides a summary of information collated from the Select Committee Annual Survey and feedback from the all member scrutiny session

held in February 2018. The survey was distributed to all select committee members to give their views of the scrutiny function. The data in the Newsletter shows a comparison with previous year's figures to highlight where changes have occurred. The response rate of return of the survey was 60%, a decrease from last year. The analysis shows that members are generally slightly less satisfied with the work of the select committees than in the previous year, with 7 out of 13 scores reducing and 6 improving. The largest reduction in satisfaction levels was around the papers presented to the select committee meeting the needs of members, reducing from a 90% to a 76% satisfaction level from members. This is a concern and officers will work with senior officers and members to improve this over the next year.

- 2.3 The newsletter also contains performance monitoring data for the year 2017-18. The aim of the newsletter is to provide PFSC Members with information to assist them in their overarching scrutiny monitoring role. The performance data included in the newsletter is based on the key issues to be monitored and achieved following the Scrutiny Review carried out in 2011. As can be seen from the data a large number of recommendations have been made and accepted by Cabinet Members to assist them in their decision-making role. The newsletter also briefly highlights the key issues scrutinised over the year to ensure the strategic issues are being addressed and that the approved work programme is on track.
- 2.4 The newsletter is also available on-line so that all members, the public, other local authority officers and any other interested parties, e.g. district and borough councils, can access it and find out about scrutiny in West Sussex.

3 Implications

- 3.1 There are no resource, risk management, Crime and Disorder Act or Human Rights Act implications arising directly from this report. However, many of the substantive reports presented to Committees will have some implications and an Equality Impact Report would have been/will be included as necessary.

Tony Kershaw
Director of Law and Assurance

Helen Kenny
Head of Democratic Services

Contact: Susanne Sanger, Senior Advisor, 0330 22 22550

Appendix

A End of Year Scrutiny Newsletter

Background Papers

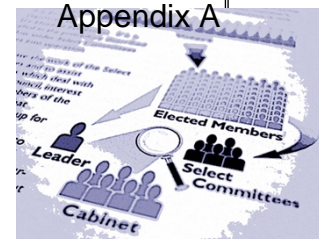
None



END OF YEAR 2017-18

SCRUTINY NEWSLETTER

July 2018



This is the end-of-year Scrutiny Newsletter for the year 2017-18. It includes performance information, shares best practice and highlights key aspects of the work of the Council's four select committees, which carry out the scrutiny function. There are links included to enable readers to find further detailed information as required.

Select Committee Annual Survey Results

Select committee members were invited to complete a short questionnaire in March 2018 to give their views on the scrutiny function. 38 completed surveys were returned which is a 60% response rate. This is a decrease in response rate compared to 2016/17 (69%).

The percentages used in the table below are based on the number of respondents, so as the numbers are small, any change in scores can have a fairly significant effect on the percentages and therefore should be treated with some caution.

	2016-17	2017-18
1. The select committee work programme reflects issues of greatest public concern/importance	85%	76%
2. I have had reasonable opportunity to influence the committee's work	73%	79%
3. The timing of committee involvement in issues is appropriate	53%	74%
4. There is adequate input from external witnesses into the scrutiny process	66%*	57%
5. The agenda papers provided for meetings met my needs	90%	76%
6. Select committees are able to influence decisions appropriately	49%	47%
7. There are clear, measurable outcomes from the scrutiny process	46%	57%
8. The committee has had the opportunity to input into policy development	44%	55%
9. Overall, scrutiny undertaken by the committee has been effective	66%*	58%
10. I have been able to commit the necessary time to undertake my role	93%*	92%
11. There is good support from Democratic Services support staff	100%	97%
12. The Scrutiny newsletter produced by Performance & Finance Select Committee provides useful information	41%	57%
13. The Members' Guide to Scrutiny (provided in Summer 2013 and available on The Mine) provides useful information	39%	59%

* indicates an increase in performance

The survey asked members to rate statements about scrutiny in 2017-18. The feedback shows that six areas improved their scores in 2017/18 whilst seven decreased their scores. There is greater satisfaction from members that scrutiny undertaken by the committee is timely and members are able to influence the

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Committee's work, however there is less satisfaction around whether committees are reviewing items of the greatest public concern. The results of the survey will help to focus the development of scrutiny in the future. Individual Business Planning Groups (BPGs) will review the full survey results to identify any specific committee development issues to address in the future. The Performance and Finance Select Committee has a role in the overview and development of scrutiny. The Committee will review the survey results and identify any areas to develop over the next year.

The survey also included a set of new questions in relation to scrutiny of the budget during 2017/18. The results are shown in the table below, which shows that the timing and supporting papers of budget scrutiny was generally felt to be satisfactory but overall only 45% of respondents thought that scrutiny of the budget was effective. The results of the survey have been used by the PFSC Business Planning Group when working with senior officers in the Finance Team to develop the timeline for the 2018/19 budget process.

	2017/18
I have had reasonable opportunity to influence the development of the County Council's budget.	40%
The timing of scrutiny of the budget was appropriate.	63%
The supporting papers met my needs.	67%
Overall, scrutiny input into the budget process was effective.	45%

- **CYPSSC** = Children & Young People's Services Select Committee
- **ECFSC** = Environmental, Community and Fire Services Select Committee
- **HASC** = Health & Adult Social Care Select Committee
- **PFSC** = Performance & Finance Select Committee

Performance Monitoring

In order to assess the effectiveness of scrutiny, performance is monitored on an annual basis. Performance indicators have been established as part of the business planning and scrutiny review process. Table A below shows the full year performance figures for select committees. Further information on issues scrutinised are set out later in this newsletter.

	CYPSSC	ECFSC	HASC	PFSC
Number of recommendations				
• Accepted	9	43	2	23
• Declined	2	2	0	0
• Awaiting a response	0	0	2	6
• No response required	10	8	10	4
Number of call-in requests	0	2	0	1
Number of call-in requests accepted (and considered by a select committee)	0	1	0	1

	CYPSSC	ECFSC	HASC	ECFSC A
Number of external witnesses	5	11	11	2
Number of public attending meetings (includes members of the public, press and other interested officers and members)	27	90	21	19
Number of select committee meetings webcast	1	3	1	0
Total number of live and archive* views	9 164	100 319	12 49	0 0
Member attendance at meetings	81%	79%	85%	82%

* Archive figures as at May 2018.

What has worked well

- Following the Council elections in May 2017 there was a large number of new members, both to the organisation as a whole and to the scrutiny function. Time was spent in developing an **induction process** for each committee to set out their key roles and responsibilities and the requirements of scrutiny. From feedback received, members generally felt that this induction process met the needs of members and enabled them to carry out their role effectively. It is recognised that some reports to committee meetings are very detailed and in-depth which often presents a steep learning curve for members. Democratic Services officers will continue to work with service officers and members to ensure scrutiny members are able to challenge and scrutinise items effectively. This includes the provision of background information and informal briefings as and when required.
- **All Member scrutiny sessions** – two sessions were held for all members in relation to scrutiny in 2017/18. The first was to identify member priorities for inclusion on the Scrutiny Work Programme. The Chief Executive of the Centre for Public Scrutiny presented at this session to provide members with the national context of scrutiny and key issues for members to think about when developing their work programmes. Information was also provided in relation to the structures and priorities specifically at West Sussex. The results from the session were used to develop the work programme agreed at County Council in December 2017. The second session was held to review how scrutiny is working at West Sussex following the House of Commons Select Committee review of how scrutiny is working in local authorities. The overall view was that scrutiny at West Sussex is working effectively and that no major changes to how it is structured or works is needed. Both these sessions received very positive feedback from the members who attended the sessions.
- **Members' comments** received through the annual scrutiny survey include:-
 - The provision of information, clear papers, guidance and the support of officers was welcomed by scrutiny members.
 - Members commented that the use of Business Planning Groups to prioritise the work of the Committee was effective.
 - Good cross-party working and in-depth scrutiny of issues took place.

Agenda Item 12

Appendix A

- Following a Serious Case review, members of the CYPSSC examined the safeguarding process at West Sussex. As well as members gaining important knowledge, positive attention to this item was reporting through the press and social media, with members of the public pleased to see the Council scrutinising this important topic in public.
- The call-in procedure was recognised through the member survey as an effective process. This was seen in action through the call-in of the increase to fees and charges heard by PFSC in March 2018. The call-in was heard by PFSC and resulted in parking charges across the County being further reviewed. Extra work was carried out and evidence sought by officers to ensure that the amended charges were based on sound information.
- The HASC Project Day became an all member session, to give all County Councillors the opportunity to receive a presentation from the county's Clinical Commissioning Groups (CCGs), on the structure of health services in the County and developments planned locally. Members were split into geographically-based groups and had the opportunity to ask questions of their local CCG senior officers. As a result of the day, Coastal West Sussex CCG attended a number of County Local Committees to present the development of Local Community Networks (LCNs), so that all local members could hear plans and ask questions.
- **Task and Finish Groups**
 - The CYPSSC examined the Education and Skills Annual Report through a task and finish group. This gave members an opportunity to dig deeper into the data, and report back to the whole Committee.
- **External input into scrutiny**
 - Through the survey members commented on the timely and useful input of external witnesses.
 - A total number of 29 **external witnesses** contributed to formal select committee meetings during the year. These included representatives of Capita, Horsham Matters, headteachers and School Governors. External input from such witnesses can provide valuable evidence for the scrutiny process, enabling service user/customer views to be heard, and providing additional information that would not otherwise have been heard.
 - The external witnesses recorded do not include NHS organisations scrutinised by HASC, for example representatives from clinical commissioning groups across the wider Sussex area, local hospital trusts, ambulance service, NHS England South East, although many of these organisations have provided evidence to the scrutiny process.
 - Both HASC and CYPSSC have **co-opted members**, bringing valuable experience and knowledge into the scrutiny process. HASC has representation from [Healthwatch West Sussex](#), the consumer champion for health and social care, as well as from all seven district and borough

councils; and CYPSSC membership includes two parent governors and two Diocesan representatives (Church of England and Roman Catholic).

Areas to Develop

The following areas to develop have been identified through the annual scrutiny survey and from feedback received during the year. These will be considered by select committee chairmen and individual BPGs.

- Members’ comments in the annual scrutiny survey identified a number of issues for improvement, as set out below. These will be reviewed and used to identify opportunities to develop and improve scrutiny over the year ahead:
 - **Budget** – members wanted extra time to be allowed at all member sessions and scrutiny meetings for a more in-depth discussion around the savings proposals and budget figures. They also requested earlier input and clarity over what decisions are to be taken and when.
 - **Meetings** – Agendas are often too long which means not enough time is allowed to scrutinise some items. Officer presentations should be kept to a minimum to allow more questions from members. The circulation of late papers reduces the time members have to prepare for the meeting. The feedback from officers following the meeting needs to be improved.
 - Members wanted more **TFGs** set up to review certain policies and performance in-depth.
 - Request that **papers** clearly set out the key issues for scrutiny.
 - Proposal made that scrutiny **reports** should be shared in County Council papers so that all members know what has been scrutinised. This has been discussed by PFSC during the year and it has been agreed that the Annual Scrutiny Newsletter should be presented to County Council each year, to highlight to all members the work of scrutiny.
 - Request for more specific **evidence** on how scrutiny has made a difference, for example what the recommendations from the committee were, what has been done as a result and what the outcomes were. This links to the need to develop SMART (Specific, Measurable, Achievable, Realistic, Timely) objectives for scrutiny so that outcomes can be measured. Need a clear identification of objectives, key outcomes, timescales and results.

Overview of Select Committees – key issues scrutinised

Children and Young People’s Services Select Committee (CYPSSC)

2017-18 Chairman – Michael Cloake

<p>29 June 2017 Planning School Places</p>	<p>Members considered a report on the planning of school places and were asked to support the approach undertaken in West Sussex to plan school places and the opportunities taken to secure external financing of such places. Members welcomed the news that very high percentages of children had got their first choice school in the county and asked the Cabinet member to continue working with the district and borough council, headteachers and neighbouring authorities to identify local need and preferences as well as suitable locations for new provision</p>
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<p>Appendix A</p>	<p>Members expressed concern over the role of the Regional Schools Commissioner, and recommended closer working with the Council.</p>
<p>5 October 2017 Serious Case Review 'Key' – the Serious Case Review into Child Sexual Exploitation in West Sussex between 2012-2015</p>	<p>Following a Serious Case Review, the Committee considered and commented on the changes and improvements in the multi-agency safeguarding partners' response to child sexual exploitation in West Sussex and the effectiveness of the campaigns to raise awareness and the role of members in ensuring that these messages are communicated.</p> <p>Members were pleased with progress made, and requested that officers develop a toolkit for members to use in order to ensure they are able to communicate messages relating to child sexual exploitation. They also wanted to ensure that the role of members was continued to be used to ensure that the profile of child sexual exploitation was raised.</p>
<p>Educational Improvement</p>	<p>The Committee was asked to consider the impact on Key Stage 1 and 2 outcomes as a result of the improvement activity plan implemented in the autumn term of 2016.</p> <p>Members welcomed the direction of travel and were keen to see continued progress. The Committee also supported the implementation of the Crawley Action Zone and the Worthing, Adur & Arun Action Zone in key target areas for improvement, and would like to see data from these areas come to the Committee at the appropriate time.</p>
<p>8 November 2017 School Funding 2018/19</p>	<p>This meeting was webcast, and members heard evidence from five witnesses, including headteachers and governors, on the implications of the National Funding Formulae and spending pressures for schools and the Local Authority. The Committee felt that collaborative working between the Council, schools and MPs was crucial to push for fairer funding and that the cutbacks that schools were having to make to staffing (teachers, teaching assistants, pastoral staff and SENCOs) were very worrying.</p> <p>The Committee put forward a series of recommendations to highlight the issues concerning school funding, and to ensure closer collaboration with schools, MPS and other partners on this issue.</p>
<p>Post 16 School Transport Charges</p>	<p>Members previewed a Cabinet Member decision, which asked them to support a proposal to raise the charges made for transport arranged by the County Council for Post-16 students.</p> <p>Members were concerned on the rising cost, specifically that the costs could impact Post-16 children with special educational needs and disabilities. The Committee asked the Cabinet Member for Education & Skills not to increase the school transport costs for Post-16 children with special educational needs and disabilities and that costs for other Post-16 school transport users should increase by 10% only.</p>
<p>11 January 2018 - Outcome of school funding review 2018/19</p>	<p>The Committee considered the position of West Sussex schools as a result of the new National Funding Formula (NFF). The 2018/19 Dedicated Schools Grant (DSG) settlement proved the situation remained challenging, and that the High Needs block</p>

consultation – local formula and changes to funding arrangements for special support centres (sscs)	<p>in particular was an area of cost pressure of tension. Appendix A Committee were provided with the results of an Autumn term consultation, and were advised a second wave of consultation would be undertaken in the Spring term. In view of the problematic funding situation faced by West Sussex, a disapplication request had been lodged with the Secretary of State to make a one-off transfer of funds from the Schools block to the High Needs block. The Committee expressed concern about this situation and it was resolved that a single task and finish group be established to report to the Cabinet Member for Education and Skills on the school funding position when the outcome of the appeal was known.</p>
<p>14 March 2018 West Sussex Partnership Families Strategic Plan 2020</p>	<p>The Committee considered the West Sussex Partnership Families Strategic Plan 2020, which was to replace the previous Families Plan. The purpose of the new plan was to improve the outcomes of the most vulnerable and marginalised children, young people and families within the County. In 2015, a disparate range of plans designed to address the above were brought together to form the West Sussex Partnership Families Strategic Plan (The Families Plan). The Families Plan is no longer an active document, and the policies contained within it will now be undertaken through the West Sussex Plan under the 'best start in life' priority. The Committee endorsed the West Sussex Plan as a replacement for the Partnership Families Strategic Plan, and requested the 1,001 Days principle be a future item for scrutiny.</p>

Environmental and Community Services Select Committee (ECSSC)

2017-18 Chairman – Andrew Barrett-Miles

In November 2017 the Committee changed its name to better reflect the Committee's role and responsibilities in relation to the Fire Service. The Committee is now called the Environmental, Community and Fire Select Committee (ECFSC); membership of the Committee remained the same.

<p>15 November 2017</p> <p>Household Waste & Recycling Sites Opening Hours & Waste Performance / Fly-Tipping Update</p>	<p>The Committee scrutinised three waste management issues.</p> <p>The Committee considered the impact of changes to Household Waste and Recycling Site (HWRS) opening hours, roughly one year after their introduction. The session was informed by the findings of a Task and Finish Group convened by the Cabinet Member, in the light of issues raised by residents and businesses. The Committee supported "option 6" of the options considered by the TFG, which was the option subsequently adopted by the Cabinet Member.</p> <p>The Committee also considered proposals for the introduction of a permitting scheme, recommending that, while supportive in principle, the decision be informed by site survey data. The Cabinet Member agreed to recommendation to gather more data, and to bring proposals back to a future meeting of the Committee.</p> <p>The Committee was briefed on trends in respect of fly-tipping,</p>
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<p>Appendix A</p>	<p>and the partnership work underway to combat it. Evidence, at the Business Planning Group's (BPG's) request, was heard from a rural area (via Chichester District Council) and from an urban area (via Worthing Borough Council). The evidence heard indicated that the previous years' changes to HWRS opening hours had not resulted in an increase in incidence.</p>
<p>30 November 2017 Community Intelligence Community Intelligence</p>	<p>The Committee learned of a number of threats facing West Sussex residents, and the benefits realised through work undertaken in partnership with Sussex Police and Safer West Sussex Partnership. At the time, given HMIC itself had warned of an erosion in "local policing", partners had identified a concerning need to focus on proactive and preventative work in the community. The item was informed by witnesses from Sussex Police, and illustrated using examples of successful outcomes from around Sussex. Crimes ranged from cuckooing (where drug dealers take over the home of a vulnerable person in order to use as a base for drug-dealing), to county lines, modern slavery and violent extremism.</p> <p>Members learned of their role in this work, as community leaders and were supportive of the approach to community intelligence, but noted the reliance on internet access and social media for reporting purposes, and voiced concerns that this would exclude some communities/residents.</p>
<p>Various Highways Maintenance Contract Highways Term Contract</p>	<p>Throughout the year the Committee monitored the progress and the implications of the work underway to re-procure the highways maintenance contract, at times through verbal updates. Areas of particular focus were service levels and the specific KPIs under the new contract, as well as the break clauses, the expected schedule for savings, and performance management and monitoring arrangements more generally.</p>
<p>Various Economic Growth Plan A Prosperous Place: Economic Growth Plan 2018 - 2023</p>	<p>The Committee received reports and verbal progress updates on the Economic Growth Plan throughout the year. Members committed to remain focussed on this work, with plans to scrutinise the emergent action plans in autumn 2018.</p>
<p>31 January 2018 Options for Improved Control and Management at Household Waste and Recycling Sites Household Waste Recycling Site (HWRS) Management Controls.</p>	<p>Following the consideration of survey data gathered at the County's household waste recycling sites (in line with earlier Committee recommendations), the Cabinet Member brought revised proposals for a permitting scheme back to the Committee for further scrutiny. The data demonstrated that residents from other counties were using West Sussex's sites to avoid paying charges imposed in their county of residence. Scrutiny focussed on the potential unintended consequences of the proposals, and if/how the proposals might disadvantage West Sussex residents. Ultimately, the Committee supported the proposals.</p>
<p>7 February 2018 New Approach to Community Grant</p>	<p>The Committee held a meeting to scrutinise a decision to take a new approach to grant funding using crowd-funding, following a successful call-in request. Whilst the Committee was supportive of the crowdfunding</p>

<p>Funding – Call-in New Approach to Community Grant Funding - Decision report</p>	<p>Appendix A concept, following a thorough examination of the proposals and a vote, the Committee agreed to not support the proposals in their present form, and suggested two alternative approaches. The Cabinet Member noted the Committee’s recommendations, but decided to implement her proposals in their original form, subject to reviewing progress one year after the scheme’s implementation.</p>
<p>Various West Sussex Fire and Rescue Service 30th Nov 2017 The Implications for the Fire and Rescue Service of the Policing and Crime Act 2017 Fire and Rescue Service - Future Governance and Scrutiny 16th March 2018 The Publication of a Draft 2018 – 2022 Integrated Risk Management Plan for Fire and Rescue, for the Purposes of Consultation with the Public.</p>	<p>The Committee enhanced already strong scrutiny arrangements around the strategy, policy, and performance management of the Fire and Rescue Service. In November 2017 the Committee supported a change in its name, to reinforce for residents and stakeholders its central role in respect of FRS governance. At the same time, scrutiny engagement arrangements were formalised, with the Committee agreeing, for example, that its Business Planning Group should undertake performance management of the Service at its quarterly meetings. Key principles around transparency were also agreed including that the performance data considered by the Business Planning Group would be subsequently published with the papers for the next formal meeting of the Committee, and that any formal meeting at which FRS business was to be considered would be webcast.</p> <p>At its meeting in March 2018, the Committee had an opportunity to scrutinise and influence the consultation arrangements for the draft Integrated Risk Management Plan, and the content of the draft itself. This key document will drive all future planning for the Service. The Committee made a number of suggestions for enhancing the text of the draft, and the Cabinet Member agreed to the Committee’s recommendation that the Chairman and Vice Chairman review the final draft prior to its publication for consultation purposes.</p>
<p>Various Options for the A27 at Worthing/Lancing, and Arundel. Improvements to the A27 at Chichester</p>	<p>The Committee previewed the Council’s decisions on responses to Highways England’s consultations on options for the A27 at Worthing/Lancing and Arundel. Consideration of the options was in each case informed by the views of local members. The session in respect of Arundel was also informed by evidence from community groups. The sessions were webcast, and well attended by residents and the press.</p> <p>The Committee also submitted its views to the Cabinet Member on how best to progress improvements to the A27 at Chichester. The Committee supported the Cabinet Member in pursuing the option which built on the community-backed Build a Better A27 work.</p>

[Health and Adult Social Care Select Committee \(HASC\)](#)

2017 -18 Chairman – Bryan Turner

<p>7 July 2017 Radiotherapy Services –</p>	<p>The first item for the new HASC, following the May elections, was an item that had been requested by a West Sussex resident regarding the accessibility of linac radiotherapy units for West</p>
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<p>Appendix A Submission & NHS England Submission</p>	<p>Sussex cancer patients. Following representations from the resident and representatives from NHS England, who are the commissioners of radiotherapy provision and local acute providers, the Committee concluded it supported the need for a two linac radiotherapy unit within West Sussex. It asked the Chairman to write to NHS England to request that central capital investment is released to assist its development. In addition, the Committee requested that Brighton & Sussex University Hospitals NHS Trust and Western Sussex Hospitals NHS Foundation Trust keep the Committee updated on progress and asked to be provided with information on location and condition of linacs in relation to the survival/drop out rates for cancer patients within West Sussex and evidence surrounding the use and possible use in West Sussex of mobile radiotherapy units.</p>
<p>7 July 2017 Adult Social Care Grant - improved Better care Fund (iBCF) – Presentation & Outline Spending Plan</p>	<p>In the Spring 2017 budget, the Government announced that local authorities would receive additional funding for adult social care. This funding is known as the improved Better Care Fund (iBCF). The Committee were presented with provisional plans detailing how the iBCF would be allocated in year one of a three year funding period. Members were informed that discussions and approval of the plan were required with health partners. The Committee welcomed the opportunity to have sight of provisional plans and highlighted the importance of ensuring that outcomes would be appropriately measured. The Committee will consider the outcomes of iBCF investment at its June 2018 meeting.</p>
<p>29 September 2017 Patient Transport Service Update - High Weald Lewes Havens Clinical Commissioning Group Report & Healthwatch West Sussex Report</p>	<p>The Committee received an update on the Patient Transport Service (PTS) and the transition from previous service provider Coperforma to South Central Ambulance Service (SCAS). The performance of the PTS had featured heavily on the Committee’s work programme the previous year due to the significant media attention and widespread complaints from service users. The Committee welcomed the improvements which have been made in West Sussex; asked that hospital volunteers are utilised to support patients arriving early at, or waiting to return from hospital; asked that Healthwatch West Sussex include more West Sussex residents in the further survey scheduled for December 2017 and provide the results to the Committee; and asked to receive assurance that clinical commissioning groups in Sussex have not incurred any further financial liability relating to this contract. The Committee decided that PTS did not require further scrutiny but emphasised the importance of the provider being customer centred.</p>
<p>29 September 2017 Clinically Effective Commissioning</p>	<p>The Committee received a presentation from the Clinical Commissioning Groups (CCGs) regarding a regional initiative - Clinically Effective Commissioning which aims to improve the effectiveness and value for money of healthcare services by ensuring that commissioning decisions across the region are consistent, that they reflect best clinical practice, and that they represent the most sensible use of limited resources. Members understood the clinical rationale for a change in policy but asked to consider those policies where there was a significant threshold change for residents in West Sussex at a future meeting.</p>
<p>1 December 2017</p>	<p>The Committee received a presentation from the West Sussex Safeguarding Adults Board (SAB) Manager who presented the SAB</p>

Safeguarding Adults Board Annual Report 2016/17	Annual Report 2016/17 and members agreed that sufficient action was being taken to ensure that adults in West Sussex are being protected from abuse and neglect. Following discussion, part of the Committee's recommendation was to ask the Cabinet Member for Adults & Health to liaise with officers to see what further information and/or training on safeguarding could be shared with Members.
1 December 2017 Brighton and Sussex University Hospital NHS Trust (BSUH) Regional Working Group Progress Report	Following the Care Quality Commission (CQC) inspection report which placed the Brighton and Sussex University Hospitals NHS Trust (BSUH) in special measures the previous year, the Committee received a progress report from the joint task and finish group which had been set up with East Sussex County Council and Brighton & Hove City Council health scrutiny committees, to carry out ongoing scrutiny of the Trust's response to its CQC inspection. This had provided a co-ordinated approach, avoiding potential duplication of scrutiny across the region. The Committee highlighted a number of issues to be raised at the next meeting of the group. These included failure to improve staff culture; non-detection of clinical deterioration; evidence of learning from significant incidents; an update on recruitment and workforce issues (including reducing paperwork for frontline staff); patient experiences (especially around privacy issues in A&E); waiting times from referral to treatment (18 week target); and staff perceptions of the Trust.
1 December 2017 South East Coast Ambulance NHS Trust (SECamb) Regional Working Group Progress Report	Following the Care Quality Commission (CQC) inspection report which placed South East Coast Ambulance NHS Trust (SECamb) in special measures the previous year, the Committee received a progress report from the regional working group formed to scrutinise SECamb's response to the CQC findings, therefore avoiding duplication. The Committee highlighted various issues, including asking the Trust for evidence of what it was doing regarding staffing, training and meeting its key performance indicators and that regional data to be supplied so the Group can consider the Trust's performance and handover delays in West Sussex.
17 January 2018 Care Market including Residential Care - Adult Operations Report Care Market Capacity Skills for Care Report	The Committee welcomed a range of witnesses to discuss the care market in West Sussex including Skills for Care; West Sussex Partners in Care; the Care Quality Commission; Clinical Commissioning Groups; representatives from West Sussex colleges and district/borough councils; and County Council officers. Members welcomed the partnership working that had happened since it last scrutinised the care market in West Sussex in 2015, but concluded that a number of issues it raised previously still remained. The Committee called for more work to be done to make a career in social care more attractive at both national and local level, including consideration of terms and conditions of employment including pay; career progression and promotion, including work with local groups such as town and parish councils. It was agreed this issue, to workforce recruitment and retention, should be considered by the Committee again at a future meeting.
8 March 2018 Mental Health Update	Representatives from Sussex Partnership Foundation Trust (SPFT) which provides mental health services for West Sussex residents, provided the Committee with a number of updates regarding current and upcoming work. Members were told that proposals to

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Appendix A	develop two centres of excellence for the care of working age adults and older people, including those with dementia were being progressed. Further scrutiny of this will be considered by the Committee, particularly if the proposals constitute a substantial change in service.
8 March 2018 Reablement Update	<p>Following a successful call-in request, the Committee considered a proposed Cabinet Member decision regarding the procurement of the Community Reablement Service and the issues highlighted in the call-in request at its 18 January 2017 meeting.</p> <p>The Committee reviewed the outcome of the procurement of the Community Reablement Service. It was sufficiently assured that the procurement process and subsequent contract award would provide the desired outcome for West Sussex residents.</p>

Performance and Finance Select Committee (PFSC)

2017-18 Chairman – Pieter Montyn

West Sussex Plan and Budget 2017/18	<p>PFSC has the over-arching role of scrutinising the priorities, performance framework and budget for the County Council. As part of this process a number of reports and presentations have been made to members to enable their views and issues to be considered before the priorities and budget are set. In 2017/18 this included two member sessions, the sharing of PFSC papers with all members and formal scrutiny at PFSC meetings in October (West Sussex Plan and Medium Term Financial Strategy), November (savings proposals and capital programme), January (draft revenue budget) and March (West Sussex Plan).</p> <p>Comments from the November and January scrutiny meetings were fed into the Cabinet meetings before the budget was presented to County Council in December and February for formal approval. The Chairman of PFSC attended the Cabinet meetings to put forward the comments of the committee. The budget considerations also sat alongside the scrutiny of the Treasury Management Strategy for 2018/19. Members of the committee endorsed the savings, capital programme and budget but made a number of comments for consideration by Cabinet ahead of approval at County Council. These comments included further investigation around the proposed savings in relation to the Local Assistance Network which resulted in these savings been reduced and more information in relation to 2-weekly bin collections, bus subsidies and the reduction in road quality. These requests for information were acted upon by the relevant Cabinet Members and reported back through later Committee meetings. The Committee also expressed concern over the level of Government funding for schools and social care for adults and young people. The Committee requested that Cabinet Members lobby Government on these issues.</p>
Total Performance Monitor (TPM)	As part of the Committee's role in scrutinising the budget, the TPM is reviewed at each of its meetings. The TPM sets out the monthly position of the finances, performance and savings of the Authority. The item attracts a large number of questions from members and

<p>Capital Programme</p> <p>Fees and Charges</p>	<p>often additional information is sought to clarify an issue. Appendix A example referrals were made for further review and scrutiny to CYPSSC in order to monitor educational results, particularly at Key Stage 2, foster care placements and young people's mental health. The timeliness, content and format of the TPM was particularly questioned by new members of the Committee. The Leader and Cabinet Member for Finance agreed to establish a TFG in summer 2018 to look at this in detail.</p> <p>Alongside the revenue budget the Committee also reviews, on a quarterly basis, the Capital Programme to monitor how projects are progressed and any issues that need to be managed. Members were concerned about project slippage during the year and have asked that this is reviewed to see if there are any lessons that can be learnt for future projects.</p> <p>In March 2018 the Committee heard a call-in request in relation to the fees and charges increases proposed for 2018/19. This resulted in parking charges across the County being further reviewed and amendments made to the original proposals.</p>
<p>Procurement and Contract Arrangements</p>	<p>The Committee scrutinised the Capita contract performance during 2017/18 as well as pre-decision scrutiny in relation to changes to the services covered under the contract. The changes to the contract were supported by the Committee. When reviewing contract performance members expressed concern over some of the performance measures being reported and stressed that foreseeing and reacting to issues early was key. A Contracts Management TFG was established by the Committee and is scheduled to report in July 2018 with its findings and recommendations.</p> <p>The Committee also reviewed the Orbis Public Law arrangement to ensure new working arrangements with Surrey, East Sussex and Brighton and Hove Councils had been implemented and were working effectively. The Committee was satisfied that the new arrangements were being embedded and work is underway to ensure continued progress with the arrangements.</p>
<p>PropCo</p>	<p>The County Council has developed a policy in order to develop land and properties, known as PropCo. In 2017/18 PFSC reviewed the first completed development, Orchard Grove in Chichester. This was a relatively small development of four properties which have all sold and generated income for the County Council. The Committee was satisfied with the outcomes of the development and was keen to see similar projects being taken forwards where appropriate.</p>
<p>Asset Strategy</p>	<p>The Committee reviewed the work being done to develop a new Asset Strategy for the County Council. Members supported the work which is underway and requested a further report be brought back to the committee when the Strategy has been fully developed and whether any savings can be made as a result. They also requested that local members be consulted and kept informed of any changes to County assets within their area. A report is expected at PFSC in July to complete this review.</p>
<p>Scrutiny Work Programme</p>	<p>PFSC has the over-arching responsibility for ensuring that scrutiny across the Council is effective and is looking at the priority areas. As part of this process an all member scrutiny session was held in September 2017 which included presentations from the Centre for Public Scrutiny and officers within the County Council. Members were asked to identify the areas they thought were a priority for</p>

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Appendix A	scrutiny. The results from this session were reviewed by individual Business Planning Groups to develop their work programmes. These were agreed by PFSC as representing a good use of scrutiny resources and approved by County Council in November.
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Joint Scrutiny

[Joint scrutiny arrangements](#) were established across West Sussex in 2010/11 to enable the County and District/Borough Councils to work together to scrutinise specific topics of common interest.

The Joint Scrutiny Steering Group oversees these arrangements and is made up of all the select committee chairmen for the County and district/borough councils. No joint scrutiny projects were identified during 2017/18 but the arrangements will be used whenever an appropriate topic is identified. The arrangements are scheduled to be reviewed during 2018/19 to ensure they are still fit for purpose.

Task and Finish Groups (TFGs)

Select Committees can establish TFGs to look at a specific issue in more detail. All TFGs are monitored by PFSC in its over-arching monitoring role to ensure the highest priority areas are scrutinised. The latest monitor can be found [here](#) which gives details of each TFG and progress to date. Two TFGs have completed their work during the year:-

- Task and Finish Group to review the [Education and Skills Annual Report](#)
- Task and Finish Group to review [proposed changes to School Funding](#)

2018/19 meeting dates

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
CYPSSC			20			12	31			10		7
ECFSC			13			21		14		14		13
HASC			22			27		15 30*		16		15
PFSC				9			5	22	7*	17		20

* Project Days (these are scheduled dates in the member diary that can be used for member briefings, specific training, TFG meetings or transferred into formal meetings if appropriate).

Committee Membership 2017/18

For up-to-date Committee membership please go to the select committee [web pages](#) for more details.

Scrutiny Support Officers – Contact Details

Head of Democratic Services (and Statutory Scrutiny Officer)

Helen Kenny 03302 222532 helen.kenny@westsussex.gov.uk

Senior Advisors

CYPSSC Rachel Allan 03302 228966 rachel.allan@westsussex.gov.uk

ECFSC	Ninesh Edwards	03302 222542	ninesh.edwards@westsussex.gov.uk
HASC	Helena Cox	03302 222533	helena.cox@westsussex.gov.uk
PFSC	Susanne Sanger	03302 222550	susanne.sanger@westsussex.gov.uk

Assistant Democratic Services Officers

CYPSSC	Natalie Jones-Punch	03302 225098	natalie.jones-punch@westsussex.gov.uk
ECFSC	Lisa Etchell	03302 223597	lisa.etchell@westsussex.gov.uk
HASC	Rob Castle	03302 222546	rob.castle@westsussex.gov.uk
PFSC	Lisa Sampson	03302 228193	lisa.sampson@westsussex.gov.uk

Room 102, First Floor, County Hall, Chichester, West Sussex, PO19 1RQ

Hard copies of any of the documents referred to in this newsletter are also available on request from Susanne Sanger. Further information is also available via the [internet](#).

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Performance and Finance Select Committee

9 July 2018

Business Planning Group Report

Report by Chairman, Business Planning Group
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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 21 May 2018 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.

Recommendations

The Committee is asked to:

1. Support the updates to the work programme as recommended by the Business Planning Group and reflected in the updated work programme at Appendix A; and
2. Note the latest Task and Finish Group Rolling Programme, attached as Appendix B, and make any comments accordingly.

1. Introduction

The BPG met on 21 May 2018, members in attendance were Mr Montyn (Chairman), Mr Elkins, Mrs Dennis, Mrs Mullins and Dr Walsh (part of the meeting).

2. 21 May 2018

- 2.1. Members of the Group received a briefing from the Director of Economy, Planning and Place and the Technical Project Manager on **property development projects** currently taking place. Members determined that formal scrutiny should take place in relation to the full business case for the PropCo development at Angels Nursery, Barnham. This was previously scrutinised by PFSC in January 2016 but changes have occurred to the

proposals since that date. The report should include the proposal for the site including the financial aspects of the development. Scrutiny was also agreed in relation to the Novartis site in Horsham. This was previously scrutinised in November 2015 but again changes have occurred to the proposal put forward at that stage. The reports should outline the changes to the development proposals since they were last scrutinised, including the costs and work involved. Decisions on the progress and development of these sites are expected to take place in July therefore it is appropriate to add both these pre-decision scrutiny items to the agenda for the 9 July committee meeting.

- 2.2. The Director of Economy, Planning and Place also updated the BPG on the work which is ongoing in relation to the **Asset Strategy** and **One Public Estate** (OPE) programme. It is expected that a decision will be taken in July to agree the Asset Strategy therefore Members agreed that pre-decision scrutiny should take place at the 9 July committee meeting. The OPE programme currently includes 7 projects which are all being worked on. Members agreed that this was not a time-critical item and could be added to a future PFSC meeting agenda, currently scheduled for October 2018.
- 2.3. Members of the Group received a briefing note from the Financial Reporting Manager on the findings of the **MHCLG Consultation – proposed changes to the prudential framework of capital finance**. No significant impact is expected for the Authority but the over-arching message from the guidance is about sensible operations, increasing transparency, monitoring risks and the proportionality between financing streams to be maintained. Borrowing in advance is acceptable as long as the local economic benefit can be shown. The implications from the guidance will be included within the 2019/20 Treasury Management Strategy therefore Members agreed no further scrutiny is necessary.
- 2.4. Following a Member request at the PFSC meeting in March 2018 Members of the BPG discussed the **budget timeline** for the 2019/20 year. The Authority's Financial Planning Manager attended for this item. The feedback received from the scrutiny survey on the budget process was also considered as part of the discussion. From the survey 63% of respondents felt that timing of the budget scrutiny was appropriate whilst 45% thought overall scrutiny input was effective. The survey highlighted that members wanted more time and opportunity to fully consider the proposals put before them. The discussion also included savings proposals being scrutinised by the individual service Select Committees at their meetings in October/November, the timing of sessions and whether agreeing the budget in two sessions, December and February County Council, was effective. Following officer input it was agreed that the timeline would be similar to last year:-
 - October PFSC – scrutiny of the Medium Term Financial Strategy (MTFS) and consideration of the results and priorities identified through the What Matters to You? survey
 - October member session – opportunity for all members to input into the MTFS and What Matters to You? results
 - November PFSC – consideration of the comments from the October all member session, scrutiny of the capital programme and saving proposals ahead of approval at December County Council
 - Early January – all member session on the full revenue budget

- January PFSC – consideration of the comments from the January all member session and formal scrutiny of the revenue budget ahead of approval at February County Council.

2.5. Members agreed that more time should be set aside for the all member sessions to allow detailed officer presentations and greater opportunity for member questioning to take place. The timing of the service Select Committees was considered too early by officers to agree the saving proposals to be presented for formal scrutiny. It was stressed to officers that timely information in advance of both the scrutiny meetings and member sessions is essential. The timeline was discussed at Cabinet Board on 12 June and any changes to the above timeline will need to be furthered considered.

2.6. Members also considered a request from the Chief Executive to scrutinise the **West Sussex Annual Report** at the 9 July committee meeting ahead of County Council. Members agreed that as the financial and performance outturn figures were considered at the May meeting of PFSC and that the July meeting had a long Agenda that there would be no benefit or focussed outcome achieved by formally scrutinising this report.

3. **Scrutiny Work Programme Planning**

3.1 Members of the Group reviewed the outstanding items on the current work programme. Appendix A details the items and timings to be reviewed as part of the 2018/19 work programme for the Committee. These changes include:-

- Inclusion of an **OPE** report for the October meeting of the Committee.
- **Social Value Act** – Members agreed to include a report on how this Act has been implemented and embedded at a future committee meeting. This links to the proposed TFG on working with the voluntary sector (see update attached as Appendix B).
- **Treasury Management Annual Report** – at the request of the Director for Finance, Performance and Procurement this report would be presented to the July meeting of PFSC rather than full Council.
- **Contract Management TFG** – final report and recommendations to be included on the July Committee Agenda.
- Due to the long Agenda for the July committee meeting members agreed that the **May TPM** report would be circulated to members outside of the formal committee. Any questions that arise should be referred to the Senior Advisor.

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.

4.2 An update on the proposed cross-cutting review of how the Council works with the voluntary sector was discussed by the PFSC BPG. The Select Committee Chairmen had met with a senior officer to discuss how this work should be taken forward. Members agreed that it would be more effective to have place-based events at CLC meetings in the first instance. If further focussed work is needed after these events then a TFG will be re-considered.

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 Business Planning Group

Contact Susanne Sanger, 0330 22 22550

Appendices

Appendix A Performance and Finance Select Committee Work Programme
2018/19

Appendix B Scrutiny TFG Rolling Progress Report

Background Papers

None

Work Programme 2018/19

Select Committee Meeting date	Subject/Theme	Objectives/Comments	Key Contacts	Source
9 July 2018 Dispatch: 29 June PrAM: 21 June PrAM dispatch: 14 June	Asset Strategy	Decision preview of the asset strategy.	Nick Smales Jo Twine	BPG 21/05/17
	Angels Nursery, Barnham	Update and decision preview for this PropCo development	Nick Smales/Lee Harris Malcolm Mayo	BPG 21/05/18
	Novartis - decision preview	Preview of the decision in relation to the development of the Novartis site, report to cover the change to the plan for the site since it last came before the Committee, plus the costs and works involved.	Nick Smales Carolyn Carr Gary Cox Lee Harris	BPG 21/05/19
	Treasury Management Annual Report	PFSC to review the Annual Report rather than it being presented to County Council.	Katharine Eberhart Vicky Chuter	BPG 21/05/18
	Total Performance Monitor - May TO BE CIRCULATED VIRTUALLY (see BPG Notes)	Review of the latest TPM (May) Report to follow virtually to the Committee as Committee date too early in the approval process.	Katharine Eberhart, Jon Ware, Martin Farrell, Fiona Morris	BPG 21/05/18
	Capital Programme 2017/18 Q4 Performance Report, and 2017/18 Annual Report	Review of the capital programme performance for eoy 2017/18	Nick Smales/Lee Harris, Matt Hall	
	Contract Management TFG Report	Scrutinise the outcome and agree the recommendations of the Contract Management Task and Finish Group	Roger Elkins	BPG 07/02/18
	Scrutiny Annual Newsletter	Review of the effectiveness of scrutiny in 2017/18	Susanne Sanger	BPG 07/02/18
	May BPG Report	Summary of the BPG 21/05/18	Susanne Sanger	BPG 07/02/18
5 October 2018 Dispatch: 26 September PrAM: 21 September PrAM dispatch: 14 September	Medium Term Financial Strategy	Scrutiny of the Medium Term Financial Strategy for 2019/20.	Katharine Eberhart	BPG 21/05/18
	One Public Estate	Scrutinise the progress, ongoing work, costs and efficiency savings in relation to the One Public Estate programme	Lee Harris Miranda Shawcross	BPG 21/05/18
	Sept BPG Report	Summary of the latest BPG meeting.		
	What Matters to You survey	First look at results from the resident survey results	Steve Harrison	
	TBC - Social Value Act	Pending confirmation of timing - to review the implementation of the Act	Matthew Wigginton	BPG 21/05/18
	TPM - July dispatched and August to follow	Review of the latest TPM report.	Katharine Eberhart	
22 November 2018 Dispatch: 13 November PrAM: 7 November PrAM dispatch: 31 October	Quarter 1 Capital Programme Performance Report	Review of the capital programme performance	Matt Hall	
	Review of savings proposals and capital programme 2019/20	Scrutiny ahead of approval at December County Council	Katharine Eberhart	BPG 21/05/18
	Treasury Management Strategy	Scrutiny of the 2019/20 Treasury Management Strategy	Vicky Chuter	
	Treasury Management Mid-year Review	Scrutiny of the mid-year performance of Treasury Management	Vicky Chuter	
	TPM - September	Review of the latest TPM report.	Katharine Eberhart	
	November BPG Report	Summary of the latest BPG meeting.	Susanne Sanger	
7 December 2018 PROJECT DAY Dispatch: 28 November PrAM: 21 November PrAM dispatch: 13 November				
17 January 2019 Dispatch: 8 January PrAM: 4 January PrAM dispatch: 27 December	2019/20 Draft Budget	Review prior to County Council in February.	Katharine Eberhart	Work Prog
	Annual Capita Review	Scrutiny of Capita performance as outlined in report to March'18 Committee meeting	Katharine Eberhart Linda Corn	March PFSC
	TPM - Nov (to follow)	Review of latest TPM	Katharine Eberhart	
20 March 2019 Dispatch: 11 March PrAM: 4 March PrAM dispatch: 25 February	Feb BPG Report	Summary of the latest BPG meeting.		
	TPM - December	Review of latest TPM	Katharine Eberhart	
	Quarter 3 Capital Programme Performance Report	Review of the capital programme performance	Matt Hall	

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Task and Finish Group Rolling Programme

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

TFGs in PROGRESS

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 report and recommendations are currently being drafted and agreed by Members. It is expected that a final report and recommendations will be presented to PFSC in July 2018.	Susanne Sanger	Lisa Sampson	
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PROPOSED TFGs

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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 the 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 on a daily basis, when published decisions are available via this [link](#). The Forward Plan is available on the County Council's website www.westsussex.gov.uk and from County Hall in Chichester, 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
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	Names of consultees and/or dates of Select Committee meetings
Background Documents	What documents relating to the proposed decision are available
Background Documents from	Who you can contact to obtain background documents (if available)
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 0330 22 22533, helena.cox@westsussex.gov.uk

Published: 27 June 2018

Forward Plan – Summary of Key Decisions



BEST START IN LIFE

Children and Young People

- June** Procurement of an Integrated Child Psychology Service
June Procurement of a Dynamic Purchasing System for Children’s Placements and other Accommodation and Support Services

Education and Skills

- June & Sept** School Expansion Projects
June Partial revocation of a statutory notice and Cabinet Member Decision taken in July 2012 to relocate and expand Shelley Primary School, Broadbridge Heath
June Procurement of a Dynamic Purchasing System for Children’s Placements and other Accommodation and Support Services

Officer decision

- June & Sept** Award of Contracts for School Expansion Projects



A PROSPEROUS PLACE

Leader

- July** Proposals for the development of the former Novartis Site

Highways and Infrastructure

- June** Review of On-Street Parking Charges and related policy
June Review of On-Street Pay and Display Charges
July Adoption of the West Sussex Joint Minerals Local Plan
July A284 Lyminster Bypass – Funding and Full Planning Application

Officer decision

- June** A259 Dualing Site Preparation Acceleration



A STRONG, SAFE AND SUSTAINABLE PLACE

Adults and Health

- December** Procurement of Mortuary Services for West Sussex

Environment

- June** Variation of the Materials Resource Management Contract (MRMC)
July Options for Improved Control and Management at Household Waste Recycling Sites

July Solar Power for Schools – additional funding

Safer, Stronger Communities

July Endorsement of the West Sussex Fire and Rescue Service Integrated Risk Management Plan 2018-2020

July Endorsement of the West Sussex Fire and Rescue Service Annual Statement of Assurance and Annual Report 2017-18



INDEPENDENCE IN LATER LIFE

Adults and Health

July Short Break Services for Family and Friends Carers (Adults)

July Adults In-house Social Care services – Choices for the Future



A COUNCIL THAT WORKS FOR THE COMMUNITY

Adults and Health

July Procurement of Housing Support Services

Leader

Monthly Total Performance Monitor (Rolling Entry)

Finance and Resources

Monthly Total Performance Monitor (Rolling Entry)

Monthly Review of Property Holdings (Rolling Entry)

June Building Maintenance Services Contract

July Asset Management Policy 2018–2023 and Asset Strategy 2018-19 **(New)**



Children and Young People

Procurement of an Integrated Child Psychology Service

The Council procures, either individually or in partnership with local Clinical Commissioning Groups, a range of psychological support services which provide therapeutic interventions to vulnerable children and young people. Currently there are a number of contracts around provision of psychological support to various parts of Children's Services.

The aspiration of the Council is to have a more integrated model of service for these vulnerable children and their carers so the proposal is to bring together the current suite of contracts into one contract with a value of up to £1,000,000 for all services. The new service would also extend the therapeutic approach already being successfully undertaken in some areas of children's social care (the Child and Adolescent Mental Health Service for Children who are Looked After and Adopted Children – or CAMHS LAAC model) with the addition of new integrated psychology services to support other key areas of the service (for example the new Complex High Risk Adolescent Service and the Children and Family Interventions Service).

The Cabinet Member for Children and Young People will be asked to:

1. Approve the procurement of a new integrated child psychology service; and
2. Delegate authority to the Director of Children and Family Services to award the contract.

Decision By	Mr Hillier, Cabinet Member for Children and Young People
Date added to Forward Plan	3 May 2018
Decision Month	June 2018
Consultation	Ongoing with current service provider, potential service providers and users of the existing service.
Background Documents	None
Background Documents from	N/A
Author	Mary Blanchard - 0330 22 25895
Contact	Wendy Saunders - 0330 22 22553

Procurement of a Dynamic Purchasing System for Children's Placements and other Accommodation and Support Services

The Council has a statutory responsibility to ensure the sufficiency of a variety of accommodation based services for children, young people and young adults. This responsibility includes children who are looked after (CLA), those with special educational needs and disabilities (SEND), care leavers, those on the edge of care, unaccompanied asylum seekers (UASC) and those at risk of homelessness.

Whilst the Council provides some of these services, the demand is such that a significant number of placements have to be purchased from the external market and evaluation shows this is a trend expected to continue. To fulfil this requirement the Council currently has a number of contractual arrangements for purchasing external placements for children. Amongst the largest is a framework for purchasing fostering and residential care home social care placements for Children Looked After (CLA) and a Dynamic Purchasing System (DPS) for educational day and residential placements for children with SEND. Both are used by neighbouring and regional authorities.

As these two arrangements are both coming to the end of their permitted term the Council is seeking to commission one DPS to facilitate the purchase of any external accommodation based social care or educational placements for children and young people including those who are CLA or those assessed as children with SEND. The DPS will ensure a consistent yet flexible approach to purchasing the variety of accommodation based products and services required for children and young people and will help facilitate and manage the market to meet the anticipated demand both in terms of the volumes and complexity of children and young people requiring these services.

The Cabinet Members will be asked to :-

- (1) Approve the commencement of the procurement for the DPS; and
- (2) Delegate authority to the Director of Children and Family Services to enter into a contract to implement the Dynamic Purchasing System following completion of the tender process.

Decision By	Mr Hillier, Cabinet Member for Children and Young People and Mr Burrett, Cabinet Member for Education and Skills
Date added to Forward Plan	9 May 2018
Decision Month	June 2018
Consultation	Representative bodies for the independent and non-maintained schools (INMSS), independent children's homes and foster care agencies sectors; West Sussex Parent & Carer's Forum; young people; individual providers (through Provider Working Groups). Cabinet Member for Finance and Resources
Background Documents	None
Background Documents from	N/A
Author	Karen Wells – 0330 22 26480
Contact	Wendy Saunders – 0330 22 22553

Education and Skills

School Expansion Projects

Due to the increased demand for pupil places and/or to enable implementation of the aims of the SEND Strategy it is necessary to expand a number of schools across the county and a Special Support Centre.

The Cabinet Member for Education and Skills will be asked to:-

- 1) Approve the allocation of the funds required to enable expansion projects to be undertaken at the schools and Special Support Centre listed in the table below; and
- 2) Delegate authority to the Executive Director of Economy, Infrastructure and Environment to award the contracts for the works.

	Name of School	Proposal	Decision Month
1.	The Angmering School	Expansion to increase admission number from 252 to 270 in each year group	June 2018
2.	Bourne Community College	Expansion to increase admission number from 150 to 180 in each year group	September 2018
3.	Crawley Down Primary School	Expansion to increase admission number from 45 to 60 in each year group	September 2018
4.	Felpham Community College	Expansion to increase admission number from 240 to 300 in each year group	June 2018
5.	Maidenbower Junior School Special Support Centre	Expansion of the Special Support Centre from 8 to 16 planned places	June 2018
6.	St Mary's Catholic Primary School, Bognor Regis	Expansion to increase admission number from 45 to 60 in each year group	September 2018

Decision By	Mr Burrett, Cabinet Member for Education and Skills (and Deputy Leader)
Dates added to Forward Plan	Date range from 2 February – 24 April 2018
Decision Months	See details in list above
Consultation	School, parents and local residents, Parish, District and Borough Councils Cabinet Member for Finance and Resources Director of Education and Skills
Background Documents	Cabinet Member decision report - Fin09(16/17) – Projects 1 and 3 Cabinet Member decision report - ES10(17/18) – Projects 5 and 7 Cabinet Member decision report - ES12 (17/18) – Project 6 Cabinet Member decision report - CH05(16/17) – Project 6
Background Documents from	See above links
Authors	Tim Crabb, Leigh Hunnikin and Rob White
Contact	Wendy Saunders - 0330 22 22553

Partial revocation of a statutory notice and Cabinet Member Decision taken in July 2012 to relocate and expand Shelley Primary School, Broadbridge Heath	
<p>In July 2012 a decision was taken by the then Cabinet Member for Education and Schools to approve the publication of statutory notices to expand and relocate Shelley Primary School to a new development site to the south of Broadbridge Heath, now known as Wickhurst Green.</p> <p>Since 2012 the Secretary of State for Education has appointed a sponsor, the Glyn Learning Foundation, to set up a Primary Free School on the new development site which is to be funded by the Free Schools Programme of the Department for Education. A date for opening is yet to be confirmed. In the meantime the expansion of Shelley Primary School on its existing site funded in part by West Sussex County Council and in part by the housing developer will be able to cater for the increased demand for school places.</p> <p>The Cabinet Member for Education and Skills will be asked to :</p> <p>(1) Approve the partial revocation of the statutory notice to expand and relocate Shelley Primary School, in line with Department for Education statutory guidelines, after a four week representation period;</p> <p>(2) Agree the partial revocation of the Cabinet Member Decision ES14 (12/13).</p>	
Decision By	Mr Burrett, Cabinet Member for Education and Skills (and Deputy Leader)
Date added to Forward Plan	17 April 2018
Decision Month	June 2018
Consultation	<p>A notice to be shared with statutory consultees and published in the local press for four weeks asking for comments. This complies with statutory guidance published by the Department for Education.</p> <p>A copy of the notice is available on the Council website and can be accessed via the consultation hub here. A summary of responses will be contained in the Cabinet Member Decision Report upon completion of the consultation exercise. Statutory guidance is published by the Department for Education at:- https://www.gov.uk/government/publications/school-organisation-maintained-schools</p>
Background Documents	Cabinet Member Decision Report from July 2012:- http://www2.westsussex.gov.uk/ds/mis/250712es14.pdf
Background Documents from	Link above
Author	Vanessa Cummins - 0330 22 23046
Contact	Wendy Saunders - 0330 22 22553

Procurement of a Dynamic Purchasing System for Children’s Placements and other Accommodation and Support Services	
<p>The Council has a statutory responsibility to ensure the sufficiency of a variety of accommodation based services for children, young people and young adults. This responsibility includes children who are looked after (CLA), those with special educational needs and disabilities (SEND), care leavers, those on the edge of care, unaccompanied asylum seekers (UASC) and those at risk of homelessness.</p> <p>Whilst the Council provides some of these services, the demand is such that a significant number of placements have to be purchased from the external market and evaluation shows this is a trend expected to continue. To fulfil this requirement the Council currently has a number of contractual arrangements for purchasing external placements for children. Amongst the largest is a framework for purchasing fostering and residential care home social care placements for Children Looked After (CLA) and a Dynamic Purchasing System (DPS) for educational day and residential placements for children with SEND. Both are used by neighbouring and regional authorities.</p> <p>As these two arrangements are both coming to the end of their permitted term the Council is seeking to commission one DPS to facilitate the purchase of any external accommodation based social care or educational placements for children and young people including those who are CLA or those assessed as children with SEND. The DPS will ensure a consistent yet flexible approach to purchasing the variety of accommodation based products and services required for children and young people and will help facilitate and manage the market to meet the anticipated demand both in terms of the volumes and complexity of children and young people requiring these services.</p> <p>The Cabinet Members will be asked to :-</p> <ol style="list-style-type: none"> (1) Approve the commencement of the procurement for the DPS; and (2) Delegate authority to the Director of Children and Family Services to enter into a contract to implement the Dynamic Purchasing System following completion of the tender process. 	
Decision By	Mr Hillier, Cabinet Member for Children and Young People and Mr Burrett, Cabinet Member for Education and Skills
Date added to Forward Plan	9 May 2018
Decision Month	June 2018
Consultation	Representative bodies for the non-maintained and independent schools (NMISS), independent children’s homes and foster care agencies sectors; West Sussex Parent & Carer’s Forum; Young People; individual Providers (through Provider Working Groups). Cabinet Member for Finance and Resources
Background Documents	None
Background Documents from	N/A
Author	Karen Wells – 0330 22 26480
Contact	Wendy Saunders – 0330 22 22553

Officer decision

Award of Contracts for School Expansion Projects

Due to the increased demand for pupil places and/or to enable implementation of the aims of the SEND Strategy it is necessary to expand a number of schools across the county and a Special Support Centre.

The Cabinet Member for Education and Skills will be asked to approve the allocation of the funds required to enable expansion projects to be undertaken at the schools and Special Support Centre in the table below. The Cabinet Member will also be asked to delegate authority to the Executive Director of Economy, Infrastructure and Environment to award the contracts for the works.

Following receipt of this approval from the Cabinet Member, the Executive Director of Economy, Infrastructure and Environment will be asked to award contracts for the expansion of schools and a Special Support Centre as listed in the table below.

	Name of School	Proposal	Decision Month
1.	The Angmering School	Expansion to increase admission number from 252 to 270 in each year group	June 2018
2.	Bourne Community College	Expansion to increase admission number from 150 to 180 in each year group	September 2018
3.	Crawley Down Primary School	Expansion to increase admission number from 45 to 60 in each year group	September 2018
4.	Felpham Community College	Expansion to increase admission number from 240 to 300 in each year group	June 2018
5.	Maidenbower Junior School Special Support Centre	Expansion of the Special Support Centre from 8 to 16 planned places	June 2018
6.	St Mary's Catholic Primary School, Bognor Regis	Expansion to increase admission number from 45 to 60 in each year group	September 2018

Decision By	Lee Harris, Executive Director of Economy, Infrastructure and Environment
Date added to Forward Plan	Date range from 17 April – 24 April 2018
Decision Month	See details in list above
Consultation	Director of Education and Skills
Background Documents	N/A
Background Documents from	N/A
Author	Tim Crabb, Leigh Hunnikin and Rob White
Contact	Wendy Saunders - 0330 22 22553



Leader

Proposals for the development of the former Novartis Site

In December 2016 the Council purchased the former Novartis Pharmaceuticals site in Horsham, West Sussex (LDR15 (15/16)) to meet a number of strategic objectives of the County Council, particularly around economic growth and facilitating higher value employment. The Council has been progressing plans for the redevelopment of the site, in accordance with the adopted decision.

It is anticipated that a planning application for a mixed use scheme on the site will be made later in the year which will include Grade A office space to support the maintenance of high quality employment at the location.

The Leader will therefore be asked to approve the submission of an outline planning application for the proposed redevelopment of the site.

Decision By	Ms Goldsmith, Leader
Date added to Forward Plan	25 May 2018
Decision Month	July 2018
Consultation	Performance and Finance Select Committee, 9 July 2018 (with Members of the Environment, Communities and Fire Select Committee invited to attend)
Background Documents	None
Background Documents from	Carolyn Carr
Author	Carolyn Carr - 0330 22 23836
Contact	Katherine De La Mora - 0330 22 22535

Highways and Infrastructure

Review of On-Street Parking Charges and related policy

The on-street parking charges review for 2018/19 has been carried out in two phases and outlines options for a review of all on-street parking charges, including all West Sussex permits, parking bay suspensions and pay & display. The first phase incorporating resident's permits has already been included within the 2018 Fees and Charges Report, in a decision taken by the Cabinet Member for Finance and Resources.

The second phase will consist of two reports to the Cabinet Member for Infrastructure and Highways: the first report dealing with parking bay suspensions, dispensation notices, visitor permits, non-resident permits, trader permits, carer permits, healthcare permits, countywide permits and doctor permits.

Decision By	Mr Lanzer, Cabinet Member for Highways and Infrastructure
Date added to Forward Plan	15 May 2018
Decision Month	June 2018
Consultation	Performance and Finance Select Committee
Background Documents	Cabinet Member for Finance and Resources, Fees and Charges 2017/18 Decision Report
Background Documents from	Miles Davy
Author	Miles Davy - 0330 22 26688
Contact	Laura Johnston - 0330 22 22536

Review of On-Street Pay and Display Charges

The on-street parking charges review for 2018/19 has been carried out in two phases and outlines options for a review of all on-street parking charges, including all West Sussex permits, parking bay suspensions and pay & display. The first phase incorporating resident's permits has already been included within the 2018 Fees and Charges Report, in a decision taken by the Cabinet Member for Finance and Resources.

The second phase will consist of two reports to the Cabinet Member for Infrastructure and Highways, the second report dealing with revised options for pay and display charges, which were called in by the Performance and Finance Select Committee during the first phase of the review.

Decision By	Mr Lanzer, Cabinet Member for Highways and Infrastructure
Date added to Forward Plan	15 May 2018
Decision Month	June 2018
Consultation	Performance and Finance Select Committee
Background Documents	Cabinet Member for Finance and Resources, Fees and Charges 2017/18 Decision Report
Background Documents from	Miles Davy
Author	Miles Davy - 0330 22 26688
Contact	Laura Johnston - 0330 22 22536

Adoption of the West Sussex Joint Minerals Local Plan

The Council is preparing a Joint Minerals Local Plan (JMLP) for West Sussex in partnership with the South Downs National Park Authority. The JMLP was submitted to the Secretary of State at the end of May 2017 for independent examination. The hearing sessions of the examination took place in September 2017, and following a round of consultation on Proposed Modifications, the Inspector will issue his report on the Plans 'soundness', and whether or not it is suitable for adoption.

If found sound, the Cabinet Member for Highways and Infrastructure will be asked to endorse the Joint Minerals Local Plan, and recommend to County Council on 8 June 2018 that the Plan be formally adopted and become part of the statutory 'development plan' for West Sussex, replacing the 2003 MLP.

Decision By	Mr Lanzer, Cabinet Member for Highways and Infrastructure
Date added to Forward Plan	6 April 2018
Decision Month	July 2018
Consultation	None
Background Documents	N/A
Background Documents from	N/A
Author	Rupy Sandhu - 0330 22 26454
Contact	Laura Johnston 0330 22 22536

A284 Lyminster Bypass – Funding and Full Planning Application

The Lyminster Bypass has been an approved County Council scheme since 1992. The route of the Bypass has been safeguarded through the Arun District Local Plan (2003) and it is also identified in the current review of the Local Plan (which is due to be adopted this year). 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. Ecological and archaeological surveys have been completed together with an intrusive ground investigation. The surveys are currently being used to inform the detailed design of the scheme.

The Cabinet Member for Highways and Infrastructure will be asked to consider a report on the funding of the A284 Lyminster Bypass and the inclusion of additional funding towards the scheme in the Capital Programme. The submission of a full planning application is required to enable the scheme to progress towards construction. Therefore, the Cabinet Member will also be requested to authorise the submission of the application.

Decision By	Mr Lanzer, Cabinet Member for Highways and Infrastructure
Date added to Forward Plan	1 May 2018
Decision Month	July 2018
Consultation	Consultation has been on-going with internal services, the North Littlehampton Members Steering Group, Arun District Council, Highways England, the Environment Agency, the developers of the land north of Littlehampton and other stakeholder groups.
Background Documents	None
Background Documents from	Sara McKnight
Author	Sara McKnight - 0330 22 24197
Contact	Laura Johnston - 0330 22 22536

Officer decision

A259 Dualing Site Preparation Acceleration	
<p>An opportunity exists to accelerate several areas of work into the current phase of the A259 Littlehampton Corridor Improvements. These are Site Clearance, Utilities Diversions and Site Drainage.</p> <p>Bringing these tasks forward has the advantage of reducing risks associated with the works programme. This will be achieved by ensuring that vegetation clearance has been carried out following the current bird nesting season and that works will not therefore be delayed at the end of the land acquisition process should it fall in the next bird nesting season. Additionally the Council can commit to the utility diversions and drainage improvements where they fall within the highway boundary or on County Council property beyond the highway boundary. This action will also have the significant advantage of committing a large proportion of the Local Enterprise Partnership (LEP) grant for this scheme in the current financial year and reducing any risk that the grant cannot be used within the funding window.</p> <p>The Head of Highways and Transport will be asked to approve the commencement of these works.</p>	
Decision By	Matt Davey, Head of Highways and Transport
Date added to Forward Plan	15 May 2018
Decision Month	June 2018
Consultation	Consultation will be carried out as appropriate with WSCC Streetworks, Statutory Undertakers and the WSCC Environment & Heritage teams as well as Drainage Teams. Further to this a communications strategy will be agreed to ensure that customers are engaged and advised of the upcoming works.
Background Documents	Scheme Drawings Site Clearance Drawings Stats quotations
Background Documents from	Tony Bathmaker Alex Sharkey – 0330 22 26343
Author	Tony Bathmaker - 0330 22 26324
Contact	Laura Johnston – 0330 22 22536



A STRONG, SAFE AND SUSTAINABLE PLACE

Adults and Health

Procurement of Mortuary Services for West Sussex

The County Council provides mortuary services throughout the county for the bodies of those who die in West Sussex where the death is referred to the Coroner. Current arrangements for this service are due to expire in 2019.

An open procurement process to determine a future model for this provision has been undertaken by the County Council from May 2018. This process includes the option of a new mortuary built by a third party for use by the County Council to meet the service need.

The Cabinet Member will be asked to agree proposals for future mortuary services for West Sussex and if appropriate to delegate authority to the Director of Communities to award a contract to the successful bidder for a design and build project to run from October 2018, subject to the submission of a satisfactory bid.

The contract would need to overlap with the existing contracts to ensure the seamless provision of essential services during the design and any build phase. The existing contracts may be terminated on six months' notice once the progress of a design and build contract is clear and a date for the commencement of the new arrangement is established.

Decision By	Mrs Jupp, Cabinet Member for Adults and Health
Date added to Forward Plan	4 June 2018
Decision Month	December
Consultation	Market Consultation with seven potential suppliers
Background Documents	Decision report SSC03 (18/19): Approval to Commence an Open Procurement for Mortuary Services
Background Documents from	Rachel North
Author	Rachel North - 0330 22 24896
Contact	Suzannah Hill - 0330 22 22551

Environment

Variation of the Materials Resource Management Contract (MRMC)

The MRMC is a contract between the Council and Biffa West Sussex with the main purpose to divert black bag waste away from landfill. The contract was let in June 2010 for an initial period of 25 years.

In order to mitigate financial risks relating to circumstances identified at the commencement of the contract, a Retention Account was set up to hold funds with a value of £8m to be available in the event of contract failure and a need for re-procurement. The contract is now mature and the concerns supporting the original decision have receded. Biffa West Sussex has asked the Council to consider a formal variation to the MRMC to restructure the way the residual risk and potential costs to the Council are covered. At the same time Biffa has offered the Council improved terms as compensation for the requested variation.

The Cabinet Member for Environment will be asked to approve a formal variation to the MRMC to effect these changes.

Decision By	Mrs Urquhart, Cabinet Member for Environment
Date added to Forward Plan	23 May 2018
Decision Month	June 2018
Consultation	Procurement Board (Senior Officers)
Background Documents	None
Background Documents from	N/A
Author	Gareth Rollings – 0330 22 24161
Contact	Laura Johnston – 0330 22 22536

Options for Improved Control and Management at Household Waste Recycling Sites

A number of issues have been identified at Household Waste Recycling Sites (HWRSs) in West Sussex:

1. Site congestion, especially at peak times
2. Impacts of cross-border "waste tourism" due to closer proximity to, or superior facilities or service at, West Sussex sites and more restrictive policies in adjoining authorities
3. Exclusion of trade waste - illegal use of sites for non-household waste

A number of control and management options have been identified that could improve these issues.

The Cabinet Member will be asked to approve the options for improved control and management at Household Waste Recycling Sites.

Decision By	Mrs Urquhart, Cabinet Member for Environment
Date added to Forward Plan	4 December 2017
Decision Month	July 2018
Consultation	HWRS Task and Finish Group and Environment, Communities and Fire Select Committee 31 January 2018.
Background Documents	None
Background Documents from	N/A
Author	Kelly Goldsmith – 0330 22 27714
Contact	Laura Johnston – 0330 22 22536

Solar Power for Schools – additional funding

Under decision LDR22 ((16/17) of 24 March 2017), Members approved the allocation of £2.99m capital to fund the installation of solar photovoltaic (PV) systems on West Sussex schools. Under this current phase of the Solar Power for Schools programme, systems have been installed at 9 schools and £2.29m of the funding allocation remains.

However, with 49 schools registered to join the programme and further schools considering the opportunity, an additional £2m of capital expenditure is requested in order to complete the maximum number of installations before the Government closes its Feed In Tariff (FIT) scheme to new registrations after March 2019. Payments from the FITS are an essential element of the funding package for the programme so all installations must be completed by this deadline. The additional capital requested would take the total expenditure on schools solar PV systems to £4.99m.

Installing solar power has shown clear benefits for the schools with reduced electricity consumption from the grid, cost savings of between £1,000 and £2,000 per annum per school and reduced CO2 emissions for the next 25 years. It also provides a resource for teaching and learning.

The Cabinet Member for Environment will be asked to approve the allocation of additional funding to meet the demand from schools for solar power.

Decision By	Mrs Urquhart, Cabinet Member for Environment
Date added to Forward Plan	22 May 2018
Decision Month	July 2018
Consultation	Head of School Organisation and Transport, Area Building Surveyors for schools, Heads, Business Managers and Bursars at participating schools, Church of England Chichester Diocese.
Background Documents	N/A
Background Documents from	N/A
Author	Andrew Tolfts – 0330 22 28563
Contact	Laura Johnston – 0330 22 22536

Safer, Stronger Communities

Endorsement of the West Sussex Fire and Rescue Service Integrated Risk Management Plan 2018-2020	
<p>The Integrated Risk Management Plan (IRMP) is a statutory document required by the Secretary of State from all fire authorities, through the Fire and Rescue Service Framework. It outlines the strategic priorities of the Fire and Rescue Authority (West Sussex County Council), to the Chief Fire Officer. Within the IRMP, the fire authority assesses all foreseeable fire and rescue related risks faced within West Sussex, and proposes plans to address these.</p> <p>All Fire and Rescue Service (FRS) activity in the areas of prevention, protection and response ultimately derive from the IRMP and the actions it mandates.</p> <p>The IRMP 2016-2020 is being revised to account for an up to date assessment of local, regional and national risks and opportunities. A draft IRMP will be made available for a six-week consultation with the public.</p> <p>Following analysis of consultation responses the Cabinet Member will be asked to approve a final West Sussex Fire and Rescue Service IRMP 2018-2022.</p>	
Decision By	Ms Kennard, Cabinet Member for Safer, Stronger Communities
Date added to Forward Plan	29 March 2018
Decision Month	July 2018
Consultation	Environment, Communities and Fire Select Committee, 16 March 2018 Public consultation scheduled to be run April – May 2018 Fire Brigades Union, Retained Firefighters Union, Fire Officers Association
Background Documents	A draft Integrated Risk Management Plan will be the subject of consultation
Background Documents from	Jon Lacey
Author	Jon Lacey - 0330 22 25057
Contact	Suzannah Hill - 0330 22 22551

Endorsement of the West Sussex Fire and Rescue Service Annual Statement of Assurance and Annual Report 2017-18	
<p>Fire and Rescue Authorities are accountable for their performance and should be open to evaluation by the communities they serve. Information on their performance should be accessible, robust, fit-for-purpose and accurately report on effectiveness and value for money. The National Fire and Rescue framework for England states:</p> <p>‘Fire and rescue authorities must provide annual assurance on financial, governance and operational matters and show how they have had due regard to the expectations set out in their integrated risk management plan and the requirements included in the Framework. To provide assurance, fire and rescue authorities must publish an annual statement of assurance’.</p> <p>The Cabinet Member will be asked to approve the West Sussex Fire and Rescue Service Statement of Assurance and the Annual Report for 2017-18.</p>	
Decision By	Ms Kennard, Cabinet Member for Safer, Stronger Communities
Date added to Forward Plan	17 May 2018
Decision Month	July 2018
Consultation	Environment, Communities and Fire Select Committee 13 June 2018
Background Documents	West Sussex Annual Performance report 2017-18 National Fire and Rescue Service Framework for England 2018
Background Documents from	Jon Lacey
Author	Jon Lacey - 0330 22 25057
Contact	Suzannah Hill - 0330 22 22551



INDEPENDENCE IN LATER LIFE

Adults and Health

Short Break Services for Family and Friends Carers (Adults)

The Cabinet Member for Adults' and Health will be asked to consider the re-commissioning of a range of short break services for those providing care and support to an adult. The current configuration of services that provide short break services are in the final year of contractual agreement with the Council. The intention is that provision will focus on the different needs of these carers across the county.

Short Break Services for Family and Friends Carers will be part of a range of options that carers will be able to choose from and refer themselves into so as to gain respite. The services will be aimed at the 'cared for person' and include:

- Regular activity based sessions away from the home environment e.g. outings or clubs that are based at a venue. Weekday, weekend or evening provision;
- One to one support at home and trips out.

The procurement process will follow the principles of good outcomes, quality of service, value for money and additional social capital when evaluating tenders.

Decision By	Mrs Jupp, Cabinet Member for Adults and Health
Date added to Forward Plan	27 March 2018
Decision Month	July 2018
Consultation	Extensive stakeholder consultation, including all partners on the Carers Strategic Partnership Group. Carer Support West Sussex is undertaking an extensive survey of carers regarding respite experiences/need to inform the re-commissioning process.
Background Documents	None
Background Documents from	Mark Greening, Carers Commissioning Manager
Author	Mark Greening – 0330 22 23758
Contact	Suzannah Hill - 0330 22 22551

Adults In-house Social Care services – Choices for the Future

Adults' in-house social care services are currently comprised of twenty one building based services, with 900 services users, 500+ staff, a county wide Shared Lives service with 90 paid carers, with a current budget of £11m. As part of the wider change programme currently underway within the Children's, Adults, Family, Health and Education directorate, work has been undertaken to consider how best to develop and deliver services and customer outcomes that:

- Reach people earlier and be at the heart of local communities;
- Help people access community solutions and improve their connections with others to reduce isolation and loneliness;
- Focus on need rather than customer "labels" and help people maximise their strengths to develop and maintain skills that will support independence and control;
- Emphasise the importance of being highly responsive when people are in crisis and developing a plan that helps them to regain as much independence as possible
- Contribute to sustainability in the social care market place
- Actively seek to build partnerships in the community to provide local solutions

Following extensive engagement, research and analysis and engagement with staff and service users, the Cabinet Member for Adults and Health will be asked to consider the evidence base collated (including demand predictions; external market provision; current in-house provision compared to need; cost; condition, location and current usage of buildings) and support the delivery of a proposed 5 year phased plan through three key activities:

- **Activity block 1** – Remodelling of Day Service provision and implementation of new Day Opportunity service. Years 1 to 3 – 2018-21;
- **Activity block 2** – Aligning decisions and Capital investment for residential/24hr service with strategic priorities in the Adults Commissioning plan. Year 1 – 2018-19; and
- **Activity block 3** – Commencement of implementation of a priority plan for reconfigured residential/24hr service provision. Years 2019-22.

Decision By	Mrs Jupp, Cabinet Member for Adults and Health
Date added to Forward Plan	29 March 2018
Decision Month	July 2018
Consultation	Extensive engagement on developing the service model has taken place during 2016/17, including staff engagement sessions, families and carers, people using the services. Further engagement on the detail of the service proposals will take place during April and May 2018. The Cabinet Members for Adult and Health and Finance and Resources.
Background Documents	In House Social Care Options Appraisal
Background Documents from	IHSC.Options.Appraisal@westsussex.gov.uk
Author	Barry Poland – 0330 22 28770
Contact	Suzannah Hill – 0330 22 22551



A COUNCIL THAT WORKS FOR THE COMMUNITY

Adults and Health

Procurement of Housing Support Services

This decision concerns the commissioning of two separate housing support services for residents who face a particularly high risk of homelessness; mental health service users and ex-offenders. The report will recommend that the Council undertakes a procurement process to let two new contracts to organisations who are able to provide housing support to residents in these groups who are at risk of homelessness:

Hospital Based Housing Support for Mental Health Service Users. This service will build upon an existing pilot which has been operating successfully for 18 months. The service will be based within various NHS settings and provide targeted support to help patients manage housing risks which they are likely to face on discharge. The anticipated value of this contract is approximately £236,000 per annum.

Accommodation Based Support for Ex-Offenders. A significant proportion of offenders are homeless on release from prison. This accommodation based service will provide short term accommodation for ex-prisoners on release and support to access housing options in the private rented sector. The anticipated value of this contract is expected to be approximately £240,000 per annum.

The Cabinet Member will be asked to authorise a procurement process for services to commence from 1 January 2019, and to delegate authority to the Director of Adults' Services to let the contracts.

Decision By	Mrs Jupp, Cabinet Member for Adults and Health
Date added to Forward Plan	1 June
Decision Month	July 2018
Consultation	District and Borough Councils, West Sussex Clinical Commissioning Groups, National Probation Service
Background Documents	None
Background Documents from	N/A
Author	Ivan Western – 0330 22 23740
Contact	Suzannah Hill – 0330 22 22551

Leader

Total Performance Monitor (Rolling Entry)	
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.	
Decision By	Ms Goldsmith, Leader and Mr Hunt, Cabinet Member for Finance and Resources
Decision Month	A Total Performance Monitor decision will be taken to reflect the position at the end of each calendar month. The decision taken in May of each year will include the outturn for the previous financial year.
Consultation	Cabinet Board Reviewed by the Performance and Finance Select Committee where possible
Background Documents	None
Background Documents from	N/A
Author	Fiona Morris – 0330 22 23811
Contact	Rosemary Pugh - 0330 22 22548

Finance and Resources

Total Performance Monitor (Rolling Entry)	
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.	
Decision By	Ms Goldsmith, Leader and Mr Hunt, Cabinet Member for Finance and Resources
Decision Month	A Total Performance Monitor decision will be taken to reflect the position at the end of a given calendar month. The decision taken in May of each year will include the outturn for the previous financial year.
Consultation	Cabinet Board Reviewed by the Performance and Finance Select Committee where possible
Background Documents	None
Background Documents from	N/A
Author	Fiona Morris – 0330 22 23811
Contact	Rosemary Pugh - 0330 22 22548

Review of Property Holdings (Rolling Entry)	
<p>The Council continually reviews its property estate and those assets which are likely to become surplus to operational requirements, i.e. no longer needed for delivery of current County services. In addition the Council selectively acquires or develops assets for its 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 or to develop an asset.</p>	
Decision By	Mr Hunt, Cabinet Member for Finance and Resources
Decision Month	When required
Consultation	Internal as required
Background Documents	Some documents relating to Cabinet Member decisions will not be publicly available but general enquiries regarding property issues, ownerships, availabilities and current disposals can be made by contacting the Strategic Estate Manager, details below.
Background Documents from	Lee Harris
Author	Lee Harris – 0330 22 25088
Contact	Rosemary Pugh - 0330 22 22548

Building Maintenance Services Contract	
<p>The Council contract for the provision of mechanical and electrical services throughout its corporate and educational property estate, which provides a broad range of statutory and essential building maintenance activities, is due to expire on 31 March 2019. The Authority therefore needs to undertake a compliant procurement process to ensure a new contract is in place to ensure continuity of supply.</p> <p>It is anticipated that the scope of the new contract, in addition to the mechanical and electrical activities, will be expanded to include a new Computer Aided Facilities Management system (Help Desk) along with building fabric maintenance and repairs, currently provided by a number of suppliers on an ad hoc basis. The process might also include a procurement of a Framework Agreement to replace the incumbent select list of both local and national organisations which addresses unplanned work.</p> <p>The full scope of the proposed service will be detailed in the forthcoming decision report following the conclusion of market engagement exercises and stakeholder consultation. This engagement will indicate whether the optimum solution is a single contract (which is the current aspiration), or a number of separate contracts.</p> <p>The Cabinet Member will be asked to agree to the commencement of a restricted procurement process and to delegate the award to the Director of Economy, Planning and Place for the contract (or contracts if the services are procured as separate contracts) to the value of circa £17m per annum.</p> <p>It is proposed that the procurement process will commence in June 2018. The contract(s) will be awarded following the publication of an officer key decision in December 2018 in order to commence on 1 April 2019.</p>	
Decision By	Mr Hunt, Cabinet Member for Finance and Resources
Date added to Forward Plan	19 April 2018
Decision Month	June 2018
Consultation	Internal and external stakeholders, the incumbent supplier, market suppliers and BWA consultancy.
Background Documents	N/A
Background Documents from	N/A
Author	Jeremy Rigby – 0330 22 26460 and Jez Rumsey – 0330 22 24138
Contact	Rosemary Pugh 0330 22 22548

Asset Management Policy 2018–2023 and Asset Strategy 2018-19 (New)

The County Council has an interest in over 1,300 plots of land totalling in excess of 5,500 acres with 980 establishments included within these plots.

The Council's previous Asset Management Policy and Strategy framework has expired and a new Policy and Strategy framework has been developed. This Policy document sets out the aims and objectives to be achieved through the strategic use of assets over the next five years and so will be reviewed after 5 years. The Strategy document sets out more specifically what actions are proposed that will deliver the aims and objectives of the Policy. It is proposed that the Asset Strategy be reviewed annually.

The Cabinet Member is asked to approve the Asset Management Policy and Strategy.

Decision By	Mr Hunt, Cabinet Member for Finance and Resources
Date added to Forward Plan	27 June 2018
Decision Month	July 2018
Consultation	Performance and Finance Select Committee in October 2017 and on 9 July 2018
Background Documents	The Asset Management Policy and Strategy documents
Background Documents from	Elaine Sanders
Author	Jo Twine (contact Elaine Sanders – 0330 22 25605)
Contact	Rosemary Pugh - 0330 22 22548

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