

1. Projects to be funded from flexible use of capital receipts

1.1 The Council intends to apply £4.0m capital receipts in 2022/23 to fund the following transformation projects.

Project description	Qualifying expenditure	Budgeted expenditure £m	Expected Savings *
Smartcore	Investment in transformational project that supports HR, Procurement and Finance processes to enable automation and improved efficiency	2.5	Efficiencies and savings through improved processes, automation and enabling more tasks to be undertaken via self-service
Waste Service Transformation	Continuation of initiatives with the district and boroughs to incentivise recycling (rephased due to Covid restrictions)	1.5	Reductions in demand pressure and contract efficiencies to achieve savings in 2023-2025
Total		4.0	

*In most instances the ongoing savings do not depend solely on this investment. Delivering the forecast savings will also require the focus of other, existing resources.

1.2 Expenditure on further activities to which the Council could potentially apply flexible use of capital receipts include the following:

- Any further work to support the transition of information technology services to the new provision model and the transfer of the remainder of support services ahead of the contract end in September 2022. The expenditure would be to enable efficiencies and achieve savings.
- Any further investment on Children First Improvement Programme to transform the service for improved practice, efficiency and effectiveness.

2. Impact on affordability of Prudential Borrowing

2.1 The incremental impact on the County Council's Prudential Indicators of £4.0m additional Capital Expenditure in 2022/23 due to its Flexible use of Capital Receipts Strategy is as follows.

Prudential Indicators	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m
Capital Financing Requirement	+£4.0m	-£0.1m	-£0.1m	-£0.1m	-£0.1m
Operational Boundary	-	+£3.9m	-£0.1m	-£0.1m	-£0.1m
Authorised Borrowing Limit	+£3.8m	-£0.1m	-£0.1m	-	-

3. Flexible Use of Capital Receipts – Status on Projects relating to Expenditure in 2020/21

3.1 In 2020/21, WSCC has incurred £1.2m qualifying expenditure on activities within the Fire and Rescue Improvement Plan project. This plan is to address weaknesses identified in HM Inspectorate of Constabulary and Fire and Rescue Services' (HMICFRS) 2019 inspection report. The Fire and Rescue Improvement Plan project is designed to transform WSCC's Fire and Rescue Service (WSFRS). In doing so, it will reduce demand on the service and other public sector partner bodies.

3.2 The third HMICFRS service re-inspection report carried out in February 2021 acknowledged the WSFRS's Fire and Rescue Improvement Plan project has made tangible progress. Full detail on how the service has addressed the four areas of concern can be found in the issued letter A, however the inspectorate concluded that:

- The amount of improvement work and change in the service continues to be significant. Since our last revisit, extra funding has been used to create an appropriately skilled and dedicated programme management team, which has since evolved into the organisational assurance and governance team. This has brought an increased level of co-ordination and supports organisation-wide improvement.
- The service has used the extra funding from West Sussex County Council to increase capacity in its prevention and protection teams. This has contributed to the improvements that are being made.

3.3 The increased capacity in prevention and protection teams has been used to improve how resources are targeted towards risk and quality assurance processes. The new IT system is supporting these improvements, and there are plans for further progress when the system is fully operational.